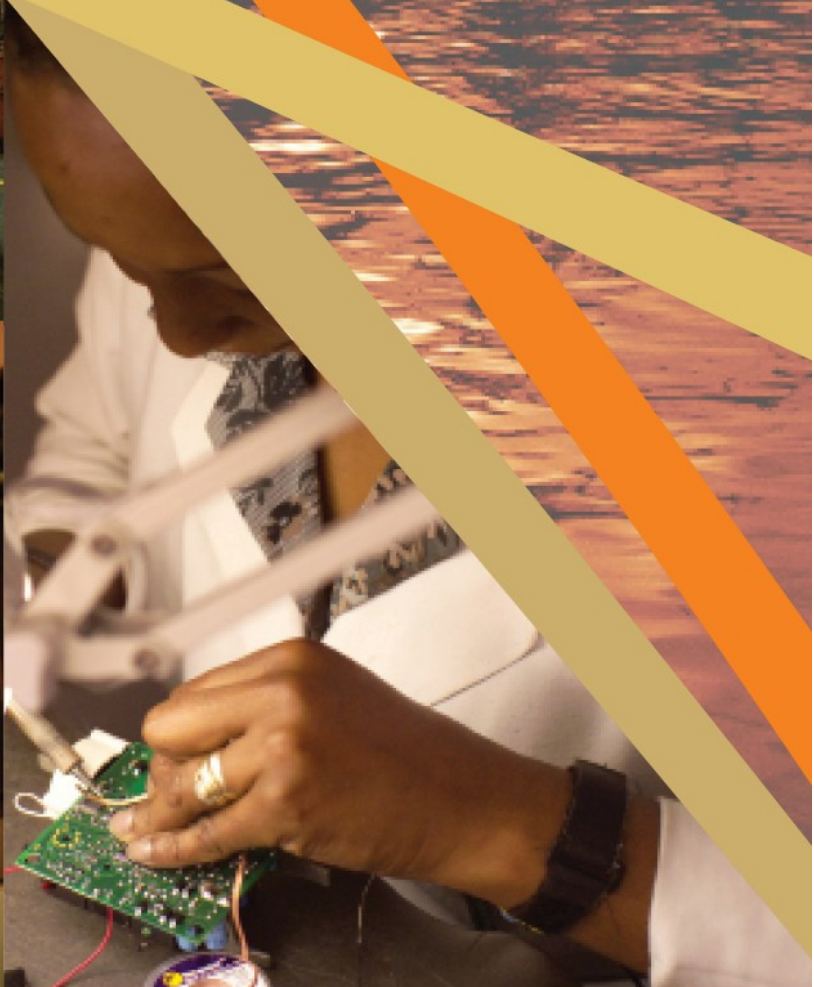


# the dti

## ANNUAL REPORT

### 2013 - 2014



**the dti**

Department:  
Trade and Industry  
REPUBLIC OF SOUTH AFRICA

empowering industries and  
broadening economic participation



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## General Information



## List of Abbreviations/Acronyms

TERM	DEFINITION
AIS	Automotive Investment Scheme
ADEP	Aquaculture Development and Enhancement Programme
AGOA	African Growth Opportunity Act
ASCCI	Automotive Supply Chain Competitiveness Initiative
BAW	Beijing Auto Works
B-BBEE	Broad-Based Black Economic Empowerment
bbl	Oil barrel
BBSDP	Black Business Supplier Development Programme
BEE	Black Economic Empowerment
BPS	Business Process Services
BRICS	Brazil, Russia, India, China and South Africa
CDA	Co-operatives Development Agency
CEO	Chief Executive Officer
CIP	Critical Infrastructure Programme
CIP	Competitiveness Improvement Programme, part of the Clothing and Textiles Competitiveness Programme
CIPC	Companies and Intellectual Property Commission, a public entity of <b>the dti</b>
CIS	Co-operative Incentive Scheme
COMESA	Common Market for Eastern and Southern Africa
Contralesa	Congress of Traditional Leaders of South Africa
COTII	Council of Trade and Industry Institutions
CRM	Customer Relationship Management
CSIR	Council for Scientific and Industrial Research
CT	Companies Tribunal, a public entity of <b>the dti</b>
CTCP	Clothing and Textiles Competitiveness Programme
DBSA	Development Bank of Southern Africa
DG	Director-General
DFI	Development Finance Institution
DOE	Department of Energy
DPISA	Department of Public Service and Administration
EA	Enterprise Architecture
EAC	East African Community
ECIC	Export Credit Insurance Corporation of South Africa, SOC Ltd, a public entity of <b>the dti</b>
EE	Energy Efficient
EIP	Enterprise Investment Programme
EMIA	Export, Marketing and Investment Assistance
ENE	Estimates of National Expenditure
EPA	Economic Partnership Agreement
EU	European Union



TERM	DEFINITION
FDI	Foreign Direct Investment
FET	Further Education and Training
FMCG	Fast-Moving Consumable Goods
FTA	Free Trade Agreement
GATT	General Agreement on Tariffs and Trade
GDED	Gauteng Department of Economic Development
GDP	Gross Domestic Product
GEIS	General Export Incentive Scheme
GMSA	General Motors South Africa
GSSSD	Group Systems and Support Services Division
GTI	Gauteng Tooling Initiative
ICT	Information and Communication Technology
IDC	Industrial Development Corporation
IDZs	Industrial Development Zones
IITF	India International Trade Fair
IMF	International Monetary Fund
IP	Intellectual Property
IPAP	Industrial Policy Action Plan
ISP	Incubation Support Programme
IWF	Isivande Women's Fund
LED	Light-Emitting Diode
LOGIS	Logistical Information System
MCEP	Manufacturing Competitiveness Enhancement Programme
MIP	Manufacturing Investment Programme
MT	Metric ton
MTEF	Medium-Term Expenditure Framework of Government
MTSF	Medium-Term Strategic Framework
NA	National Assembly
NCA	National Credit Act
NCC	National Consumer Commission, a public entity of <b>the dti</b>
NCR	National Credit Regulator, a public entity of <b>the dti</b>
NCT	National Consumer Tribunal, a public entity of <b>the dti</b>
NDP	National Development Plan
NEAC	National Export Advisory Council
NEDP	National Exporter Development Programme
NEF	National Empowerment Fund, a public entity of <b>the dti</b>
NEPAD	New Partnership for Africa's Development
NES	National Export Strategy
NGB	National Gambling Board, a public entity of <b>the dti</b>
NGP	New Growth Path
NIBUS	National Informal Business Upliftment Strategy (previously known as the Informal Sector Strategy)

TERM	DEFINITION
NIPP	National Industrial Participation Programme
NLB	National Lotteries Board, a public entity of <b>the dti</b>
NMISA	National Metrology Institute of South Africa, a public entity of <b>the dti</b>
NRCS	National Regulator for Compulsory Specifications, a public entity of <b>the dti</b>
NT	National Treasury
NTB	Non-Tariff Barrier
NTIP	National Tooling Initiative Programme
OCIO	Office of the Chief Information Officer
ODG	Office of the Director-General
OEM	Original Equipment Manufacturer
oz	Ounce
PAIA	Promotion of Access to Information Act, Act No. 2 of 2000
P-AIS	People-Carrier Automotive Investment Scheme
PIP	Production Incentive Scheme, part of the CTCP
PPP	Public-Private Partnership
PPPFA	Preferential Procurement Policy Framework Act
PTA	Preferential Trade Agreement
QES	Quarterly Employment Survey
QLFS	Quarterly Labour Force Survey
REIPPP	Renewable Energy Independent Power Producer Procurement Programme
RIA	Regulatory Impact Assessment
SABS	South African Bureau of Standards, SOC Ltd, a public entity reporting to <b>the dti</b>
SATS	South African Technical Specifications
RPO	Radiation Protection Officers
SABTIA	South African Business and Technology Incubation Association
SACU	Southern African Customs Union
SADC	Southern African Development Community
SAHC	South African Handmade Collection
SANAS	South African National Accreditation System, a public entity of <b>the dti</b>
SAWEN	South African Women Entrepreneurs Network, a non-profit organisation funded by <b>the dti</b>
SDIP	Service Delivery Improvement Plan
<b>seda</b>	Small Enterprise Development Agency, a public entity of <b>the dti</b>
SEZ	Special Economic Zone
SMME	Small, Medium and Micro Enterprise
SPII	Support Programme for Industrial Innovation
stp	<b>seda</b> Technology Programme
SWEEEP	Sector-Wide Enterprise, Employment and Equity Programme
SWH	Solar Water Heater
TASA	Tool-making Association
TDCA	Trade, Development and Co-operation Agreement
TIFA	Trade and Investment Framework Agreement



TERM	DEFINITION
T-FTA	Tripartite Free Trade Agreement
<b>the dti</b>	The Department of Trade and Industry
THRIP	Technology and Human Resources for Industry Programme
TSP	Tourism Support Programme
UNCTAD	United Nations Conference on Trade and Development
WAIPA	World Association of Investment Promotion Agency
WCP	Workplace Challenge Programme
WIPO	World Intellectual Property Organisation
WTO	World Trade Organisation
YEDS	Youth Enterprise Development Strategy

## 1. Foreword by the Minister



**Minister of Trade and Industry, Dr Rob Davies, MP**

As the five-year term of the current administration of Government comes to an end, it is appropriate that we contemplate the international context for South Africa's economic development, our achievements and remaining challenges.

The international context for economic growth has been dominated by the Global Financial Crisis that began to unfold in late 2007, the origins of which can be traced to under-regulated and poorly regulated financial market developments in mainly developed countries. Over time, the nature of the crisis has changed and its impact on South Africa grown. Two key features stand out: Firstly, the impact of the crisis on global economic growth, particularly in important export destinations such as the European Union (EU) and, more recently, China; and secondly, the reliance of central banks on quantitative easing to inject funds into their economies.

The introduction – and, ironically, market expectations of the withdrawal – of quantitative easing has become an important source of risk to emerging markets in general and South Africa in particular. The introduction of a sustained programme of quantitative easing has led to strong capital inflows, which underpinned the appreciation of the Rand and financed South Africa's current account deficit. As talk of the partial withdrawal or “tapering” of quantitative easing increased, these capital inflows rapidly reversed, resulting in Rand volatility and a significant and sudden depreciation of the exchange rate.

While the effect of volatile exchange rates on inflation and trade is well known, its impact on manufacturing investment is relatively under-researched. Our interaction with manufacturing enterprises across South Africa suggests that the volatile exchange rate has had a damaging effect on investor confidence and led to upward pressure on South Africa's investment risk premium as investors struggle to accurately quantify the financial uncertainty associated with the volatile Rand. Nevertheless, foreign direct and domestic investment has been relatively resilient and a number of strategically important investment decisions have been announced by the private sector over this financial year.

Fortunately, the National Development Plan (NDP) recognises the impact of Rand volatility on the real economy and proposes a number of interventions to mitigate its impact. One such mitigating factor is a renewed focus on further diversifying the economy and exports. In this regard, the Industrial Policy Action Plan (IPAP) plays a crucial role in guiding and catalysing the private sector so as to deepen and broaden South Africa's industrial base.

It is important to stress that IPAP is predicated on the state defending, supporting and nurturing the manufacturing sector. The state exercises leadership by "steering, but not rowing". Thus IPAP identifies a complex range of complementary, interlocking policies that require alignment and, in some areas, subordination to industrial policy.

The IPAP achievements are numerous, but I would like to highlight two that go to the heart of what IPAP seeks to do. Firstly, Transnet recently announced its intention to purchase more than 1 000 locomotives at an estimated value of R50 billion. As a result of IPAP's elevation of the public procurement policy, the Transnet contract commits locomotive manufacturers to a target of 65% local content over time. This has led to new investments in a number of enterprises that had been in a state of slow decline as well as investments in the production of components not previously manufactured in South Africa. Government's strategic use of the public procurement policy lever in this sector is expected to create and preserve approximately 30 000 jobs.

The second highlight is in the automotive sector where, notwithstanding a degree of labour unrest in 2013, Mercedes-Benz SA has escalated its total investment in the country to more than R5 billion, underpinning an increase in its local output to 100 000 units a year and thereby creating 800 new jobs. The Mercedes-Benz investment is not an outlier. According to the National Association of Automobile Manufacturers of South Africa (NAAMSA), investment commitments for the automotive sector remain at record levels, with R7.9 billion in capital expenditure projected for 2014. As NAAMSA puts it, "The relatively high levels of capital expenditure in recent years may be attributed in large part to investment projects by manufacturers as part of the Automotive Production and Development Programme (APDP)."

The success of South Africa's automotive sector is in stark contrast to the demise of Australia's automotive sector, which will be left with only one major assembler – Toyota – after 2016. Australia's experience reminds us that an overvalued exchange rate and too rapid a reduction in industry support can have devastating consequences for an industrial sector.

South Africa's economic development success is inextricably tied to Africa's economic development. As Africa takes centre stage as the next growth frontier, **the dti** will continue to play a prominent role in advancing trade and economic integration in Africa. The Tripartite Free Trade Area (T-FTA), when concluded, could substantially improve market access between and among African countries. Over the course of 2013 and 2014, **the dti** contributed to defining the principles and modalities for the negotiations and prepared South Africa's negotiating tariff offer as well as some of the key legal texts for an eventual agreement.

While Africa represents the future, the EU remains an important trading partner for South Africa. The lengthy Economic Partnership Agreement (EPA) negotiations with the EU to establish a common trade in goods arrangement between SACU and the EU has made significant progress, with a number of key issues resolved. We remain cautiously optimistic that an agreement will be reached in 2014/15.

Our international agenda seeks to unlock investment and export opportunities for South African-domiciled enterprises. It is therefore gratifying to note that **the dti** was elected Executive Vice-President of the World Association of Investment Promotion Agency (WAIPA) and South Africa voted overall winner by the *Financial Times* for the best investment destination for 2013 and 2014. These accolades are confirmed by the substantial foreign direct investment by companies such as Proctor and Gamble, Nestle, Unilever, Hi-sense, Jinko Solar, Powerway, Abengoa, Gestamp and ILB Helios. Domestic investment by companies such as Aspen, MPACT, DCD Wind and Astral Foods underpin an investment pipeline of some R60.5 billion in the current financial year.

A number of these investments have taken place in Industrial Development Zones (IDZs). To strengthen South Africa's attractiveness as an investment destination, **the dti** submitted the Special Economic Zones (SEZ) Bill to Parliament. The Bill seeks to enhance Government efforts to create employment and economic growth by establishing a series of strong industrial bases across the country and has been approved by the National Assembly and National Council of Provinces (NCOP). Furthermore, Cabinet approved the designation of the Saldanha Bay IDZ in this economically depressed part of the Western Cape and we believe that this will give rise to significant investment in the electronics sector to the benefit of the local community. The President launched the Saldanha Bay IDZ in October 2013.

Empowerment remains a crucial economic imperative so as to unlock the latent potential of all South Africans and redress the legacy of Apartheid. In this financial year, the Broad-Based Black Economic Empowerment (B-BBEE) Amendment Act and Co-operatives Amendment Act were approved by Parliament and assented to by the President. The B-BBEE Act and its accompanying Codes of Good Practice seek to increase alignment between B-BBEE activities and Government's objectives of job creation, localisation and skills development. In addition, we have begun to prioritise support to township and informal sector businesses that play a crucial role in sustaining livelihoods and contributing to local economic development in many of the poorest parts of South Africa. The National Informal Business Upliftment Strategy (NIBUS) has been supported by Cabinet with some amendments and was launched in Port St John's in December 2013. Communities' response to the strategy has been overwhelmingly positive and widespread implementation thereof will be a priority for the next financial year.

**the dti** continues to develop a regulatory environment that enables economic activity to take place in an equitable and socially responsible manner. In this regard, a number of amendment Bills were presented to Parliament and have been assented to by the President. The most important of these is the National Credit Amendment Bill, which made provisions for the National Credit Regulator (NCR) to de-register registrants and for the removal of adverse credit information.



This administration of Government has seen considerable achievements. During the administration's term, from 2009 to 2013, approximately 15 800 enterprises have benefited from **the dti**'s various incentives leading to investments of approximately R143.8 billion. Notwithstanding these achievements, we remain mindful that much work remains to be done to deepen industrialisation and accelerate empowerment.

I would like to thank my family, the Deputy Ministers, the Director-General, the Portfolio and Select Committees of Trade and Industry, and the dedicated staff of **the dti** for the support and assistance they have provided to me over the last five years. I am confident that this support will continue over the term of the next administration. It has been my honour to work with you to serve the people of South Africa.

A handwritten signature in black ink, appearing to read 'R. Davies', with a stylized flourish at the end.

**Dr Rob Davies, MP**  
**Minister of Trade and Industry**

## 2. Report of the Accounting Officer



Director-General, Mr Lionel October

### 2.1 Overview of the operations of the department

**the dti** positively contributed to the transformation of the economy and job creation over the past five years by ensuring industrialisation through the continued implementation of the IPAP. The fifth iteration of the IPAP, which was launched in April 2013 in partnership with the Industrial Development Corporation (IDC), is a roadmap of the reforms to be implemented towards the development of key sectors to re-industrialise the South African economy. Significant progress with measurable impacts has been noted in various sectors, including automotive, clothing, capital equipment, business process services (BPS) and film.

Only four of the 113 Key Action Plans (KAPs) could not be fully met owing to dependencies on other processes implemented with stakeholders external to the department. As **the dti** implements the next iteration of the IPAP, the focus will include strengthening collaborations with key stakeholders to unblock the challenges posed by some government systems to the industry. This will include fast-tracking the integration of South African-based suppliers in the oil and gas procurement value chains, particularly where the state and its entities are the main procurers of the goods and services.

A notable accomplishment for **the dti** is the further designation of sectors for local public procurement, including the instruction notes for cables, solar water heaters (SWH), valves and boats and electricity meters for the period under review. Traction was gained in the area of designating certain products for local content as more products were submitted by the department to the National Treasury (NT) for inclusion in the request for proposals issued by government departments and state-owned companies at national, provincial and municipal level. **the dti** assisted procuring entities with local content requirements in the tender specifications to ensure compliance with the instruction notes. Notable examples include the assistance provided during the procurement of an additional 100 buses by the City of Johannesburg, the acquisition of cables worth R300 million by Telkom and the acquisition of linen worth R200 million by the Gauteng Department of Health.

Significant success has been achieved in the automotive sector for mini and midi buses to grow local assembly and production, resulting in a major investment by Beijing Automotive Works (BAW) of R196 million in a taxi assembly plant for the South African and Sub-Saharan Africa markets. Toyota launched the Taxi, Sesifikile Taxi assembler line in Durban, KwaZulu-Natal, together with a R360 million parts distribution warehouse, the largest in Africa. Mercedes-Benz SA has escalated its total investment in South Africa to more than R5 billion, underpinning an increase in its local output to 100 000 units a year and the creation of 800 new jobs.

During the year under review, investment worth R541.4 million was secured from the BPS incentive programme, with 2 154 jobs achieved.

In South Africa, consumer and business confidence has improved and is evidenced through recent investment and expansion in the manufacturing sectors. Further to this, investment in the automotive, fast-moving consumable goods (FMCG), BPS and renewable energy sectors have confirmed South Africa as a preferred investment destination. South African companies have also added new investments and expanded or upgraded their production capacity to serve local and international markets. Investment for the period under review amounted to R60.5 billion.

**the dti** played a leading role in the development of the Southern African Development Community (SADC) Regional Industrial Development Strategy, which has been presented to the SADC Council, kick-starting the SACU Industrial Policy study and in the preparation of a proposal on the principles and scope of co-operation between the Common Market for Eastern and Southern Africa (COMESA), East African Community (EAC) and SADC. Going forward, the department has taken a decision to add capacity in this area of work, particularly in the divisions of industrial development, trade and investment promotion and incentive administration.

Progress made in reviewing certain pieces of legislation, including the Legal Metrology Bill and the guidelines of the National Industrial Participation Programme (NIPP), will strengthen the ability of Government to utilise these levers to drive industrialisation.

The clothing and textile industry has stabilised the sector through the Clothing and Textile Competitiveness Programme (CTCP); R77.7 million has been disbursed under the Competitiveness Improvement Programme (CIP), while 777 approvals to a total value of R2.2 billion have been made since the inception of the Production Incentive Programme (PIP), with 63 311 jobs saved and 8 459 jobs created.

The SEZ programme was established and the National Assembly passed the SEZ Bill. Two new investors signed, with an investment value of R148.5 million and the potential to create 250 jobs in the East London IDZ, Coega IDZ had signed three investors with investment worth R594 million with the potential of creating 150 jobs and Richards Bay IDZ signed three investors with the potential of creating 360 jobs where one of these investors plans to invest R4.5 billion in a new plant. A new IDZ was designated at Saldanha Bay in October 2013.

**the dti** facilitated export sales amounting to a total of R23.4 billion over the past four years, of which R3.4 billion has been facilitated during the period under review, with 1 835 companies having received financial assistance through the Export Marketing Incentive (EMIA). **the dti** has facilitated major investments, among which is the Unilever Ice Cream plant (totalling a value of R500 million), Heineken Bottling plant (R3.5 billion) and Petro tank SA plant (R20 million).

Brazil, Russia, India, China and South Africa (BRICS) has been instrumental in reducing poverty, unemployment, high levels of inequality and accelerating economic empowerment. Significant strides have been made in the abovementioned objectives through the hosting of the fifth BRICS summit in March 2013. Key outcomes emanating from this summit include the development of the BRICS Trade and Investment Co-operation Framework and the establishment of the BRICS Business Council, which will be chaired by South Africa. South Africa's position in BRICS had led to the strengthening of opportunities for trade, economic development and investment partnership, which enables expansion into the untapped potential in Africa.

The financial year under review saw the B-BBEE Amendment Act 46 of 2013 being assented to by the President. The implementation of the B-BBEE Amendment Act remains a priority for the forthcoming financial year, with specific emphasis on the establishment of the B-BBEE Commission, which will help to change the approach towards implementing BEE.

Given the prevailing undesirable youth unemployment rate, the launch of the Youth Enterprise Development Strategy (YEDS) indicates the positive strides made by the department to intervene in this regard.

Furthermore, the approval and implementation of the Integrated Small Medium Micro Enterprises (SMMEs) and Co-operatives Development Framework and Action Plan in collaboration with other spheres of government is a clear indication of intensifying, harmonising and co-locating support services (financial and non-financial) for SMMEs, co-operatives and the informal business sector.

The finalisation and approval of the NIBUS is a clear indication of **the dti's** prioritisation in the creation of an enabling regulatory environment that will enhance enterprise development support, and coordinate intergovernmental and stakeholder relations for broader participation of South Africa's Informal sector in the economy. Pilot implementation of the NIBUS and finalisation of appropriate financial instruments (incentives) is a priority for the 2014/15 financial year.

The reviews of the Co-operatives Act and National Co-operatives Strategy have been finalised. Much work has been done to enable phased-in operationalisation of the new institutional arrangements such as the Co-operatives Development Agency and Co-operatives Tribunal, which are anticipated to become fully established entities by 2014/15 to enhance co-operative development.

Major strides have been made by **the dti** in respect of regulation during the past five years. The Consumer Protection Act, Companies Act, Intellectual Property Laws Amendment Act, the Lotteries Amendment Act, Intellectual Property Law Amendment Bill for Protection of Traditional Knowledge and the National Credit Amendment Bill, of which most of them have been assented to by the President and others are still being considered.

The department has far exceeded the legislative requirement of creditors' payments processed within 30 days; 98% of which were processed within 14 days. Among some of the top accolades **the dti** received during 2013/14 was recognition from the Department of Performance Monitoring and Evaluation (DPME) in terms of the Management Performance Assessment Tool (MPAT), as the second-best functioning national department during the 2012/13 financial year. In addition, **the dti** received an award in the category "Top performing government department" at the 11th Annual National Business Awards held in 2013. Great strides have been made by the



department in appointing women in senior management positions, with their representation standing at 44%, exceeding the annual target of 43.8%.

## 2.2 Overview of the financial results of the department

### 2.2.1 Departmental receipts

The departmental revenue collected for 2013/14 amounted to R72 million, as compared to R135 million in 2012/13. During the reporting period, departmental revenue was generated mainly from tax receipts on liquor licences and fines imposed by the NCR. Additional revenue was received in respect of the capital element of staff and departmental debts.

The table below provides a breakdown of sources of revenue.

	2012/13			2013/14		
Departmental receipts	Estimate	Actual Amount Collected	(Over)/Under Collection	Estimate	Actual Amount Collected	(Over)/Under Collection
	R'000	R'000	R'000	R'000	R'000	R'000
Tax Receipts	n/a	n/a	n/a	n/a	n/a	n/a
- Casino taxes	n/a	n/a	n/a	n/a	n/a	n/a
- Horse racing taxes	n/a	n/a	n/a	n/a	n/a	n/a
- Liquor licences	5 000	3 719	1 281	5 200	4 227	973
- Motor vehicle licences						
Sale of goods and services other than capital assets	400	444	-44	392	482	-90
Transfers received						
Fines, penalties and forfeits	10	19	-9	195	20 108	-19 913
Interest, dividends and rent on land	25 000	39 349	-14 349	25 032	95	24 937
Sale of capital assets	0	0	0	150	38	112
Financial transactions in assets and liabilities	62 000	91 792	-29 792	58 326	46 778	11 544
<b>TOTAL</b>	<b>92 410</b>	<b>135 323</b>	<b>-42 913</b>	<b>89 295</b>	<b>71 728</b>	<b>17 563</b>

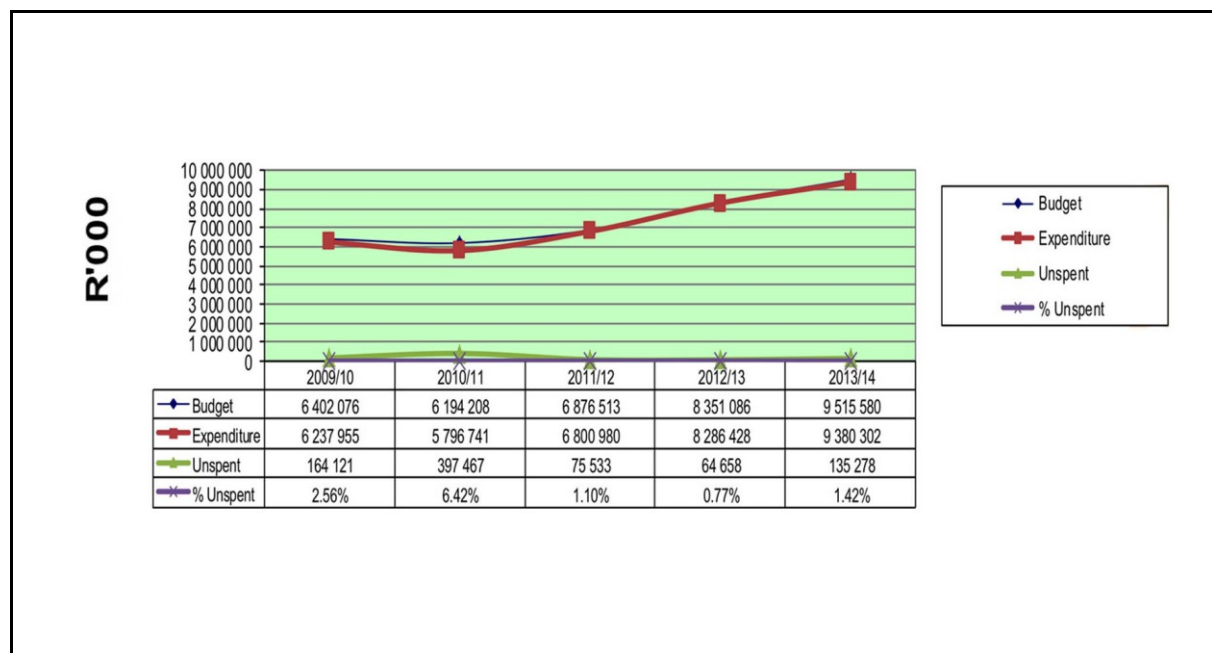
### 2.2.2 Programme Expenditure

The budget allocation for the 2013/14 financial year was R9.5 billion, as compared to R8.3 billion in 2012/13. The expenditure for 2013/14 was R9.3 billion or 98.6% of the budget, while in the 2012/13 financial year expenditure was R8.2 billion or 99.2% of that year's budget. This spending pattern should be considered in the context of the departmental cost drivers, comprising mainly incentive schemes and transfer payments. Approximately 69.8% of the expenditure related to incentives and 12.9% to transfers to the departmental agencies. The remaining funds were utilised for other transfer payments and operational expenses.

The majority of the dti's transfer payments to business incentive schemes, as well as the infrastructure and investment support programmes, resides within the following divisions: Broadening Participation, Industrial Development: Policy Development and Industrial Development: Incentive Administration.

The expenditure pattern over the past five years in relation to budget allocation is reflected in the graph below.

**Five-Year Comparison of Budget vs Actual Expenditure – R'000**



2013/14				2012/13		
Programme Name	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Administration	724 139	700 370	23 769	710 393	705 426	4 967
ITED	146 339	139 566	6 773	133 116	132 705	411
BPD	1 006 282	999 833	6 449	940 319	929 693	10 626
IDPD	1 590 453	1 575 586	14 867	1 508 225	1 505 090	3 135
CCRD	258 146	256 698	1 448	230 841	223 568	7 273
IDIAD	5 440 720	5 361 292	79 428	4 551 356	4 514 551	36 805
TISA	349 501	346 951	2 550	276 836	275 395	1 441
<b>TOTAL</b>	<b>9 515 580</b>	<b>9 380 296</b>	<b>135 284</b>	<b>8 351 086</b>	<b>8 286 428</b>	<b>64 658</b>

The table below reflects the categories against which the department's expenditure was incurred.

Description	2013/14		2012/13	
	R'000	%	R'000	%
Payments to agencies	1 287 727	13.7%	1 127 995	13.6%
Compensation	789 346	8.4%	671 550	8.1%
Incentives	6 511 248	69.4%	5 671 754	68.4%
<b>Incentives: Capital</b>	<b>1 027 363</b>	<b>10.9%</b>	<b>950 873</b>	<b>11.4%</b>
<b>Other Incentives</b>	<b>5 483 885</b>	<b>58.4%</b>	<b>4 720 881</b>	<b>57.0%</b>
Goods and Services	690 354	7.4%	592 838	7.2%
Other Payments	82 965	0.9%	181 796	2.2%
Capital	18 656	0.2%	40 495	0.5%
<b>TOTAL EXPENDITURE</b>	<b>9 380 296</b>	<b>100%</b>	<b>8 286 428</b>	<b>100%</b>

**Programme 1: Administration**

Expenditure decreased by 0.71%, from R705 million in 2012/13 to R700 million in 2013/14. This is largely as a result of ongoing engagements with the Department of Public Works on planned projects for office accommodation. There has also been savings in certain areas as a result of cost-containment measures, e.g. air travel.

**Programme 2: International Trade and Economic Development Division**

Expenditure increased by 4.3%, from R133 million in 2012/13 to R139 million in 2013/14. This is largely as a result of an increase in the spending under compensation of employees, transfers to international bodies as well as travel and subsistence.

**Programme 3: Broadening Participation**

Expenditure increased by 7.4%, from R930 million in 2012/13 to R999 million in 2013/14. This is largely as a result of an increase in the transfers to departmental agencies and accounts to aid small enterprises, incubation and technology skills.

**Programme 4: Industrial Development: Policy Development**

Expenditure increased by 4.6%, from R1.505 million in 2012/13 to R1.575 million in 2013/14. This is largely as a result of an increase in the transfer payments to the National Regulator for Compulsory Specifications (NRCS) and the IDC: CTCP PIP.

**Programme 5: Consumer and Corporate Regulation Division**

Expenditure increased by 14.7%, from R224 million in 2012/13 to R257 million in 2013/14 and is as a result of an increase in the transfer payments to the departmental agencies.

**Programme 6: Industrial Development: Incentive Administration**

Expenditure increased by 18.7%, from R4.515 million in 2012/13 to R5.361 million in 2013/14. This is largely as a result of increased incentive payments through the Automotive Production and Development Programme (APDP), Enterprise Investment Programme (EIP), Manufacturing Competitiveness Enhancement Programme (MCEP), Co-operative Incentives Scheme (CIS), SEZs, and Film and TV Production Incentive.

**Programme 7: Trade and Investment South Africa**

Expenditure increased by 25%, from R275 million in 2012/13 to R347 million in 2013/14. This increase is mainly as a result of the large number of foreign-mission claims.



### 2.2.3 Virements

A total of R14.4 million was redirected between main divisions of the vote by means of virement transactions approved by the NT, to address various changes in operational requirements. The most important operations for which the redirected funds were utilised are reflected in the table below.

Virements from the following programme	Virements to the following programme	R'000	Reasons	Approved by
<b>Programme 1: Administration</b>		(1 790)	Under-spending from Compensation of employees owing to vacant posts and the delayed approval of new posts by DPSA will be moved to TISA to cover over-commitments on foreign missions.	Accounting Officer
	<b>Programme 2: International Trade and Economic Development</b>	4 701	Savings from Programme 3: Broadening Participation to cover overspending on compensation of employees and goods and services due to the payments of Resolution 1 of 2012.	Accounting Officer
<b>Programme 3: Broadening Participation</b>		(4 025)	Under-spending from goods and services and compensation of employees due to delay in the appointment of staff to cover projected overspending in Programme 2.	Accounting Officer
<b>Programme 4: Industrial Development: Policy Development</b>		(6 221)	Under-spending from goods and services and compensation of employees due to delay in the appointment of staff to cover projected overspending in Programme 7 and Programme 5.	Accounting Officer
	<b>Programme 5: Consumer and Corporate Regulation</b>	1 989	Savings from Programme 6 to cover overspending on compensation of employees and goods and services due to the payments of Resolution 1 of 2012.	Accounting Officer
<b>Programme 6: Incentive Administration: Incentive Administration</b>		(2 414)	Under-spending from goods and services and compensation of employees due to delay in the appointment of staff to cover projected over spending in Programme 7 and Programme 5.	Accounting Officer
	<b>Programme 7: Trade and Investment South Africa</b>	7 760	To cover over spending on foreign mission claims.	Accounting Officer
<b>TOTAL</b>		-		

The under-spending of R135 million must be read in the context of one rollover request amounting to R59 million.

The request for rollover is in respect of the following:

Programme	Item/Project	Amount R'000
Programme 6: Industrial Development Incentive Administration	Transfer payment: MCEP	58 556

#### **2.2.4 A description of the reasons for unauthorised, fruitless and wasteful expenditure and the amounts involved as well as steps taken to address and prevent a recurrence**

Irregular expenditure incurred during the financial year totalled R6.3 million and no funds were condoned by the Accounting Officer as disclosed in note 25 of the Annual Financial Statements. Most of this expenditure related to deviation from procurement procedures, which should have been approved by the Accounting Officer (e.g. advertising in newspapers and television, training, memberships, etc.). Controls have been implemented to minimise such occurrences in future and include regular refresher sessions on the procurement requirements for all staff as well as communication via financial circulars.

#### **2.2.5 Future plans of the department**

The department's future plans have been captured in the strategic plan 2014-19 and the Annual Plan 2014-17 and aligned to the priorities and outcomes of Government over the 2014-19 electoral period.

### **2.3 Public-Private Partnerships (PPP)**

the dti Campus PPP agreement spans 25 years and commenced in August 2003. It is for a built office accommodation that is fully serviced. A process has been initiated to appoint transaction advisers to expand the agreement for purposes of adding another building that was pre-enabled and provided for in the original agreement, to be fully incorporated.

### **2.4 Discontinued activities/activities to be discontinued**

During the period under review, no activities were discontinued.

### **2.5 New or proposed activities**

No new activities were introduced during the 2013/14 financial year.

## **2.6 Supply chain management**

As part of the PPP agreement, the concessionaire will, for the duration of the contract period, own and maintain assets such as the land, buildings and the majority of furniture items. Departmental assets excluded from this agreement include departmental vehicles, computer equipment and certain furniture items. Departmental assets are managed in accordance with the policies issued by the NT and an asset register is maintained on the Logistical Information System (LOGIS). The department complied with the minimum requirements of the Asset Management Reforms as issued by the NT. An accession register separate from LOGIS is used to record and monitor all library material.

## **2.7 Gifts and donations received in kind from non-related parties**

A list of the nature of the in-kind goods and services provided by the department or received from parties other than related parties are disclosed as part of an annexure to the annual financial statements.

## **2.8 Exemptions and deviations received from the NT**

No exemptions were requested or approved for the department in terms of the Public Finance Management Act (PFMA) and Treasury Regulations, as may be applicable to any of the reporting requirements.

## **2.9 Events after the reporting date**

No events took place after the reporting date of 31 March 2014, which would impact on the financial position of the dti at that date.

## **2.10 Report in terms of Promotion of Access to Information Act 2 of 2000**

The aim of the Promotion of Access to Information Act (PAIA) is “to give effect to the constitutional right of access to any information held by the State and any information that is held by another person and that is required for the exercise or protection of any rights; and to provide for matters connected therewith”.

In the report, for the period under review, submitted to the South African Human Rights Commission (SAHRC), as required by Section 32 of the PAIA, **the dti** provided the following statistics:

	Reporting period: 1 April 2013 to 31 March 2014	Total Number	Comments
1	The number of PAIA requests received	26	<ul style="list-style-type: none"> <li>25 requests completed</li> <li>One request still in progress (received 25/03/2014)</li> </ul>
2	The number of requests granted in full	8	
3	The number of requests granted despite there being a ground of refusal, but granted in the public interest	0	
4	The number of requests for access: <ul style="list-style-type: none"> <li>refused in full</li> <li>refused partially</li> <li>number of times a provision of PAIA was relied on to refuse a request in full/partially</li> </ul>	5 9 9	In three instances records could not be provided as <b>the dti</b> either does not keep the requested records or they do not exist
5	The number of instances where the 30-day period to deal with a request was extended	1	
6	The number of internal appeals: <ul style="list-style-type: none"> <li>lodged with the relevant authority</li> <li>the number of cases where requests were granted as a result of an internal appeal</li> </ul>	0 0	
7	The number of internal appeals lodged on account of a deemed refusal	0	
8	The number of applications to a court on the grounds that an internal appeal was dismissed by the relevant authority failing to give notice of its decision during the timeframes stated in section 77 (3)	0	
9	Comments, including those relating to implementation, application, requests or areas of the Act for which reforms are recommended	0	

## 2.11 Other transactions with entities/departments that are non-related parties

**the dti** is providing accommodation on Campus to the following department and entities at a reduced rental.

Name of Department/Entity	2013/14	2012/13
Competition Commission	8,295	8,637
Economic Development Department	7,387	3,011
International Trade Administration Commission SA	2,770	2,836
South African Micro-Finance Apex Fund	-	56
<b>TOTAL</b>	<b>18,452</b>	<b>14,540</b>

The Department of International Relations and Co-operation (DIRCO) provides administrative and financial services at foreign offices for which there is no charge.

## 2.12 Appreciation

As we reach the end of this administration, I am confident that the interventions implemented by **the dti** over the five years have positively contributed to the growth of the economy and the creation of much-needed jobs.

Let me conclude by expressing my heartfelt appreciation and thanks to the leadership of the department under the stewardship of the Minister, Dr Rob Davies (MP), supported by Deputy Ministers Ms Elizabeth Thabethe and Ms Thandi Tobias-Pokolo and the entire staff of **the dti** and its public entities for their immense contribution to the work undertaken during the 2013/14 financial year.

A handwritten signature in black ink, appearing to read 'L. October'.

**Mr Lionel October**  
**Director-General**

### 3. Statement of Responsibility and Confirmation of Accuracy for the Annual Report

To the best of my knowledge and belief, I confirm the following:

- (a) All information and amounts disclosed throughout the annual report are consistent;
- (b) The Annual Report is complete, accurate and free from any omissions;
- (c) The Annual Report has been prepared in accordance with the guidelines on the annual report as issued by the NT;
- (d) The Annual Financial Statements (Part E) have been prepared in accordance with the modified cash standard and the relevant frameworks and guidelines issued by the NT;
- (e) The Accounting Officer is responsible for the preparation of the annual financial statements and the judgements made in this information;
- (f) The Accounting Officer is responsible for establishing and implementing a system of internal control that has been designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information and the annual financial statements; and
- (g) The external auditors are engaged to express an independent opinion on the annual financial statements.

In my opinion, the Annual Report fairly reflects the operations, performance information, human resources information and the financial affairs of the department for the financial year ended 31 March 2014.



**Mr Lionel October**  
**Director-General**

## 4. Economic overview

### The global economic overview

Growth in the global economy has started to improve, after several years of weakness. Global gross domestic product (GDP) growth is expected to rise from 3.0% in 2013 to 3.7% and 3.9% in 2014 and 2015 respectively, driven largely by higher growth in advanced economies (IMF, April 2014: World Economic Outlook). Growth momentum in advanced economies was supported by improvements in global financial conditions as well as the partial recovery of consumer spending in the United Kingdom (UK) and United States (US) in particular. The International Monetary Fund (IMF) projects that growth by the advanced economies will rise from 1.3% in 2013 to 2.2% and 2.3% in 2014 and 2015 respectively. Emerging and developing economies are expected to accelerate growth from 4.7% in 2013 to 5.1% in 2014 and 5.4% in 2015.

The IMF projects that the US GDP growth rate will improve from 1.9% in 2013 to 2.8% in 2014 and 3% in 2015 owing to a stronger domestic demand, growth in industrial output, improved employment prospects and a rebound in consumer and business confidence.

Although the Eurozone registered positive growth in the second quarter of 2013 led by Germany, output growth is still below its pre-global-financial-crisis levels. Financial fragilities and high debt in this area might constrain domestic demand. The IMF projects Eurozone GDP growth to strengthen from -1.4% in 2013 to +1.0% and +1.4% in 2014 and 2015 respectively.

The BRICS countries are expected to grow marginally slower over the medium-term period. China and India registered positive growth rates in the second and third quarters of 2013. China's investment in infrastructure was the main driver of economic growth, while India's growth was driven largely by exports. However, China's growth is expected to moderate from 7.7% in 2013 to 7.3% in 2015 owing to its policy shift, which is aimed at restructuring the sources of demand and growth from investment-driven to consumer-demand and services sector-driven. Growth in Brazil is expected to continue to decelerate, from 2.3% in 2013 to 1.8% in 2014, before bouncing to 2.7% in 2015. Sluggish economic activity in Brazil is underpinned by domestic constraints in infrastructure and weaker investment growth, low competitiveness and business confidence.

Sub-Saharan Africa has weathered the storm of the 2007/08 global economic recession. In 2012 and 2013, regional growth was about 4.8% per annum, strengthened by higher investment in infrastructure and improvements in agricultural production. Nigeria and Angola continued to register positive growth since 2012 owing to higher oil prices. Nigeria is expected to see a buoyant economy accelerating growth, from 6.3% in 2013 to 7.1% in 2014 before softening to 7.0% in 2015.



## **World Trade**

World trade continued to show signs of improvement, marked by an increase in trade volumes, from 2.8% in 2012 to 3.0% in 2013. The IMF projects strong growth in world trade volumes, moving up from 3.0% in 2013 to 5.3% in 2015. Trade will be driven by stronger demand for imports by advanced economies, which will boost demand for exports from emerging markets and developing economies. Over the medium term, exports by emerging markets and developing economies will grow from 2.3% in 2013 to 5.0% in 2015. Import demand by advanced economies is expected to grow significantly, from 1.3% in 2013 to 3.4% in 2014 and 4.1% in 2015. Developing countries, including South Africa, stand to benefit from this growth.

## **Commodity price performance**

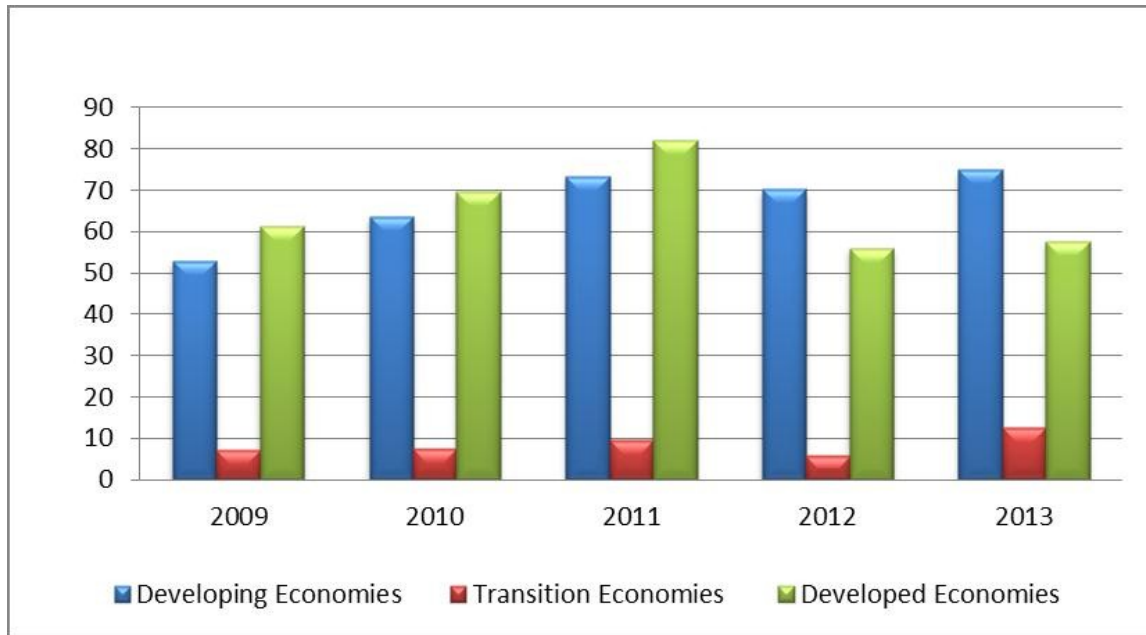
Turning to the global commodity market, the US Government on March 12 2014 announced a five million barrel release of crude oil from its Strategic Petroleum Reserve to test its emergency structure, thus increasing global supply, which drove down the international price. In addition, oil demand slowed in China, India and the Middle East. The geopolitical events in the Ukraine, Middle East and North Africa early in 2013 raised concerns about global energy supply disruptions. Notably, the price of natural gas has declined globally.

Overall commodity prices have been in a steady downward trend in the past 12 months, with maize prices falling from US\$316/MT in 2011 to US\$312.2/MT in 2013, before registering a low of US\$297.1/MT in Q1 of 2014. Brent crude has been trending downward, from US\$104/bbl in Q2 of 2013 on average to US\$103.7/bbl in Q1 of 2014. Platinum prices dropped to US\$1450/oz late in Q1 of 2014 from a high of US\$1523/oz a year ago; coal (South African exports markets) dropped from US\$87.9/t in Q4 of 2013 to US\$82.6/t in Q1 of 2014. Iron ore has been steadily rising from US\$125.4/MT in Q2 of 2013 to US\$132.8/MT and US\$134.9/MT in Q3 and Q4 respectively, before dropping to US\$120.4/MT in Q1 of 2014.

The impact of falling commodity prices is a double-edged sword for our economy. Lower oil and coal prices can lead to lower energy prices and thus lower inflationary pressures for the rest of the economy. However, the falling maize price has the potential to discourage maize production, with farmers opting for other products, while it could be good for stock farmers by lowering feedstock inputs for their stock and poultry.

## **International investment**

According to the United Nations Conference on Trade and Development's (UNCTAD) Global Investment Trends Monitor, global foreign direct investment (FDI) flows increased by 11% in 2013 to an estimated US\$1.46 trillion, up from a revised US\$1.32 trillion in 2012. Inflows to developed countries appear to be recovering, with an estimated 12% increase in 2013 to US\$576 billion. Inflows to developing countries increased by 6.7% in 2013 to US\$750 billion, as demonstrated in figure 1 below. Developing countries accounted for 51% of world FDI flows, while developed countries accounted for 39%.

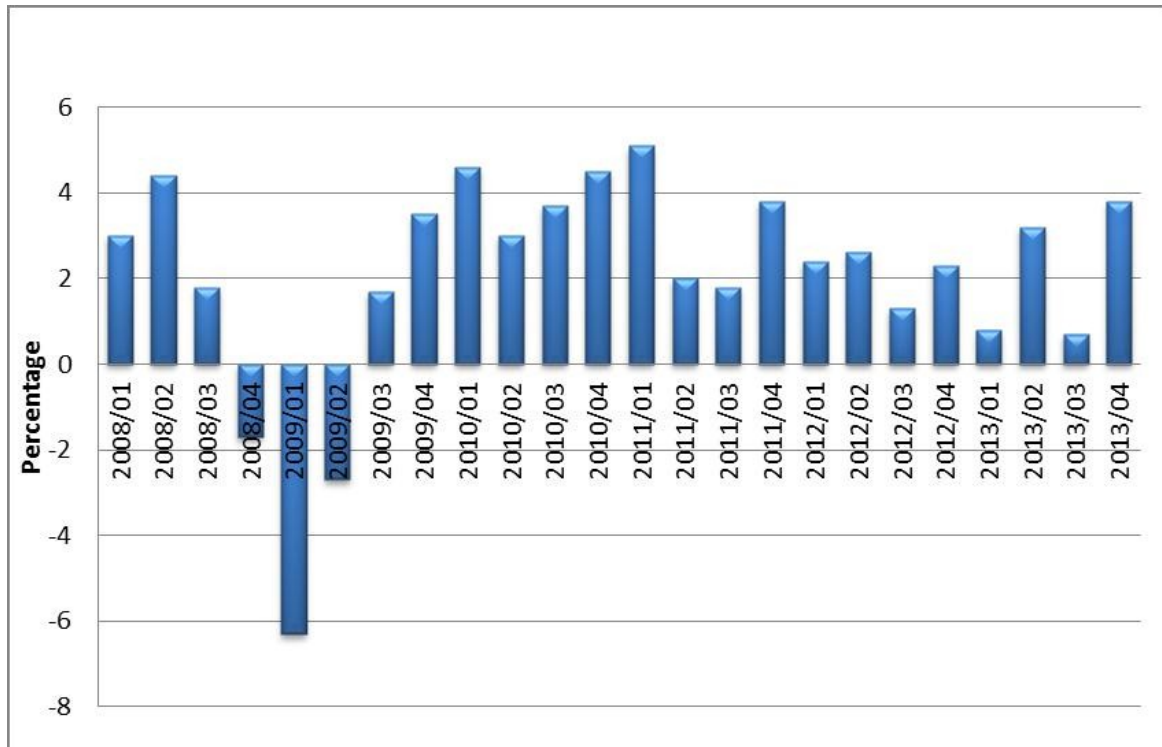
**Figure 1: Foreign Direct Investment (inflows) per economic grouping (US\$m)**

Source: UNCTAD

Developing countries in Asia (comprising East Asia, South Asia, South-East Asia and West Asia) accounted for 54% of all FDI inflows to developing countries, estimated at US\$406 billion in 2013. Latin America and the Caribbean accounted for 39%, at US\$294 billion, and Africa 8%, at US\$56.3 billion. FDI flows to the developing countries of Asia remained constant in 2013 from the previous year, while Latin America and the Caribbean, and Africa rose by 18% and 6.8% respectively.

### Domestic economic outlook

Real economic activity in South Africa post the 2008 global financial crisis has improved, despite a fairly weak global economy, evidenced by positive growth since the third quarter of 2009. GDP growth accelerated from an annualised rate of 0.7% in the third quarter of 2013 to 3.2% in the fourth quarter (see figure 2). The main contributors to this growth were agriculture, mining and manufacturing, suggesting that these sectors have begun to recover from the effects of the financial crisis.

**Figure 2: South Africa Gross Domestic Product q/q change seasonally adjusted and annualised**

Source: South African Reserve Bank

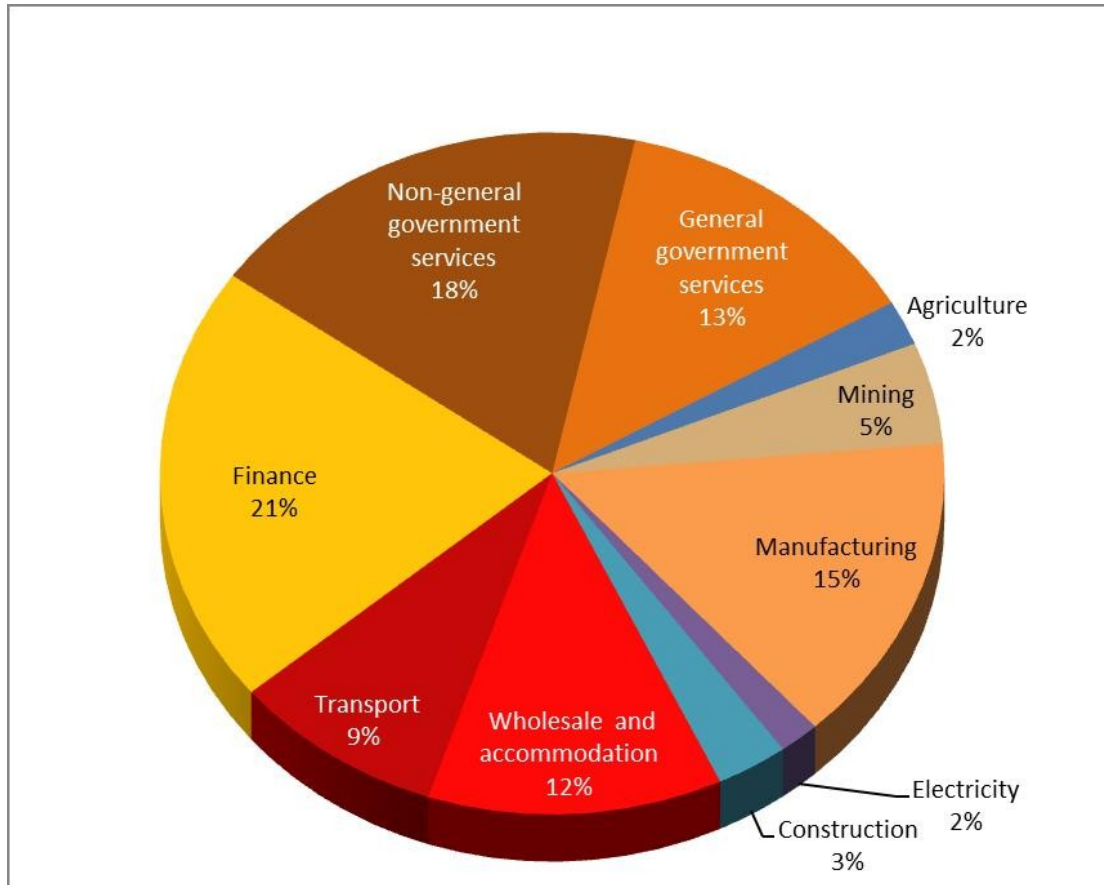
Real GDP in manufacturing grew by an annualised rate of 12.3% in the fourth quarter of 2013 compared to 4.4% in the same quarter of 2012. The stronger growth in manufacturing in the last quarter of 2013 was supported by firm recovery in advanced and emerging economies as well as the weaker rand, which boosted the sector's global competitiveness. However, looking at the annual growth rate, manufacturing grew by 0.8% in 2013, its slowest rate of increase since 2010.

Real GDP in mining accelerated further, from an annualised rate of 11.4% in the third quarter to 15.7% in the fourth quarter of 2013, while growth in agriculture strengthened substantially from 3.6% in the third quarter to 6.4% in the fourth quarter. Stronger growth in agriculture is attributable to higher field crop production, while mining growth can be attributed to higher production in the precious metal sectors. Annual growth in agriculture increased slightly, from 2.0% in 2012 to 2.3% in 2013, while mining recovered from a 3.6% contraction in 2012 to 3.1% in 2013.

Although performance has been positive, the South African economy still faces structural challenges. The tertiary industry or services sector continues to drive GDP growth, while the productive sectors of the economy are relatively underperforming. Although the manufacturing and mining sectors registered positive growth in the last quarter of 2013, this was still below the pre-crisis rates. In addition, South Africa's economic policy suffers from co-ordination failures, particularly in the energy and transport sectors, which undermine its effectiveness. The high tariff increases in electricity and port charges as well as load shedding are a threat to economic growth, competitiveness and higher rates of investment.

Growth patterns within the services sector have been far above that of the productive sectors, as demonstrated in figure 3. Finance contributed 21%, followed by non-general government services with 18% and manufacturing with 15% in 2013.

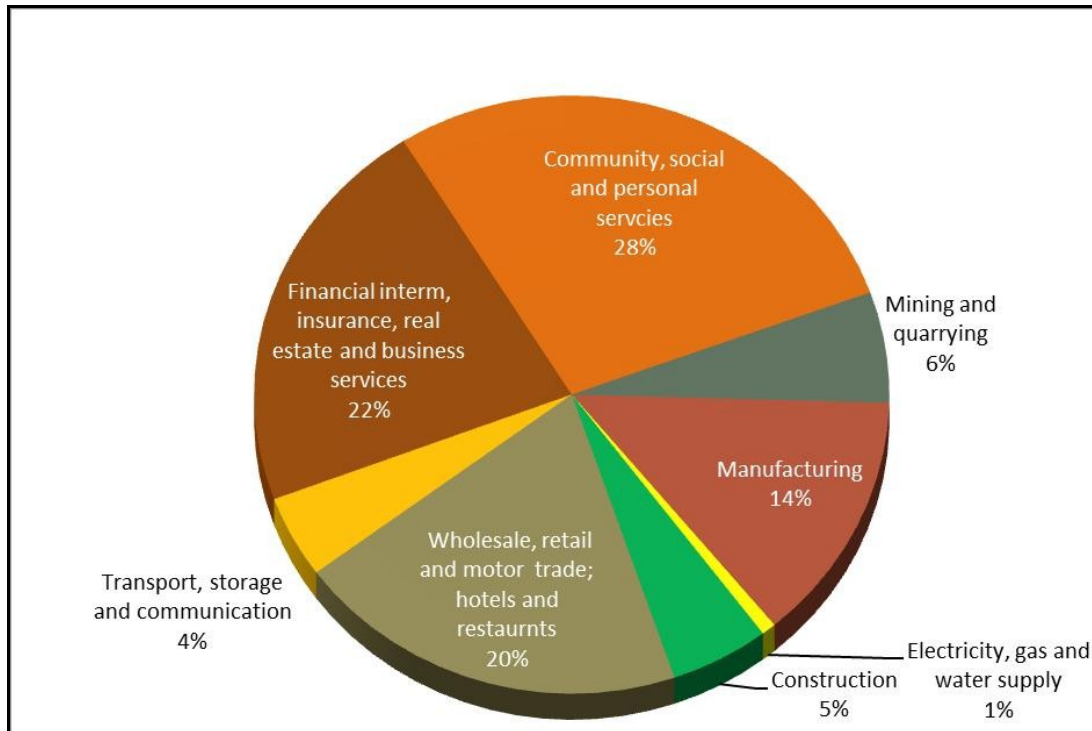
**Figure 3: Sector contribution to Gross Value Addition (2013)**



Source: South African Reserve Bank

## Employment

It is evident from figure 4 that employment has been fairly stable over the past five years, with some industries performing better than others. However, the mining and manufacturing industries have continued to shed jobs over the last two years, albeit at a slower rate than previously. The community, social and personal services was the main contributor to employment in 2013, at about 28%, followed by the financial intermediaries, insurance, real estate and business services (22%). The wholesale, retail and motor trade, and the manufacturing sectors contributed 20% and 14% to overall employment respectively during this period. The electricity, gas and water supply sector contributed only 1% of total employment in 2013.

**Figure 4: Employment by sector (2013)**

Source: Statistics South Africa (Quarterly Employment Survey)

Nonetheless, employment increased by 141 000 in the fourth quarter of 2013 and is attributed to increases of 123 000 and 64 000 in employment in the informal and formal sectors respectively. According to data released by Stats SA in the *Quarterly Labour Force Survey* (QLFS), the agricultural and private households industries shed 27 000 and 20 000 jobs respectively in the fourth quarter of 2013. The positive shift in employment is supported by the number of unemployed persons, which decreased by 50 000 over the period. This resulted in a slight decrease in the unemployment rate by 0.4 of a percentage point to 24.1%, and an increase in the labour absorption rate of 0.2 of a percentage point to 43.3%.

The labour force participation and absorption rates increased by 1.2 and 1.1 percentage points respectively. The same period also witnessed a 97 000 decline in discouraged job seekers. Despite these positive developments, unemployment remains structurally high at more than 24% of the workforce.

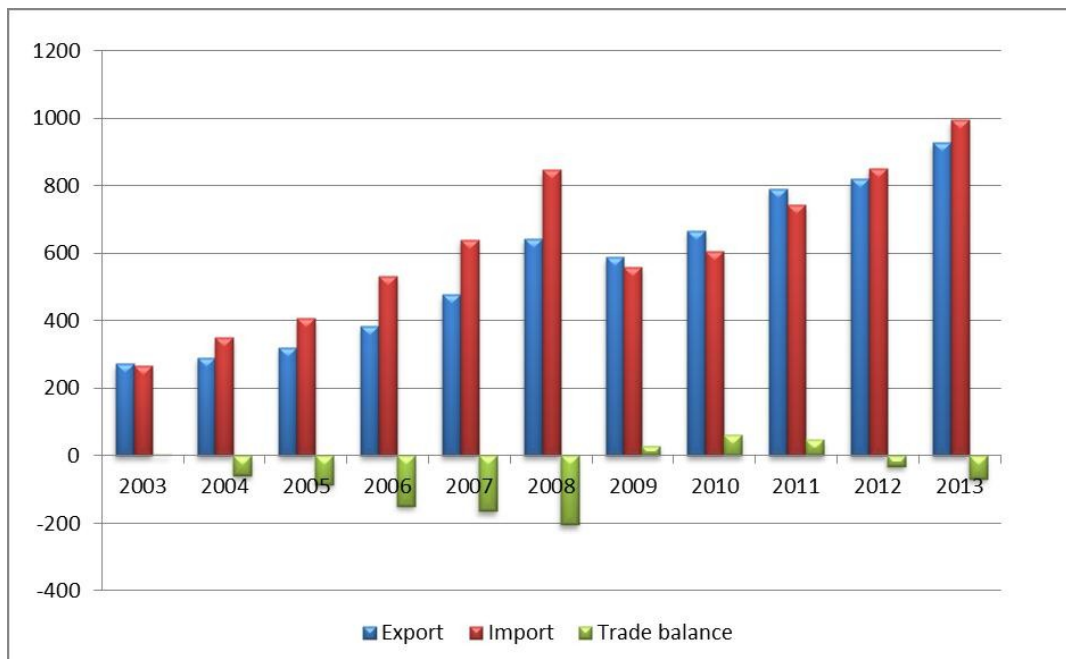
These employment numbers are also echoed by Stats SA's Quarterly Employment Survey (QES), which shows a significant increase in public-sector employment. The QES shows that the number of people employed in the formal non-agricultural sector of the South African economy increased by about 38 000 persons (0.4%) from September to December 2013. This reflects an annual increase of about 39 000 employees (0.5%), compared with December 2012. Year-on-year employment increased by 653 000, largely driven by the increase of 507 000 in the formal sector. Employment in the informal sector increased by 95 000 over the same period (Q4 of 2012 to Q4 of 2013).

**Figure 5: Manufacturing employment 2013 (million)**

Source: Statistics South Africa (Quarterly Employment Survey)

The manufacturing sector continued to shed employment since the 2008 global financial crisis, however, at a slower rate. Manufacturing reported an annual decrease of 2 000 jobs in December 2013 compared to December 2012; however, comparing the third and fourth quarter results shows that the sector recorded an increase of 2 000 jobs. The increase is attributable to increases in the production, processing and preservation of meat, fish, fruit, vegetables, oils and fats as well as the manufacture of furniture.

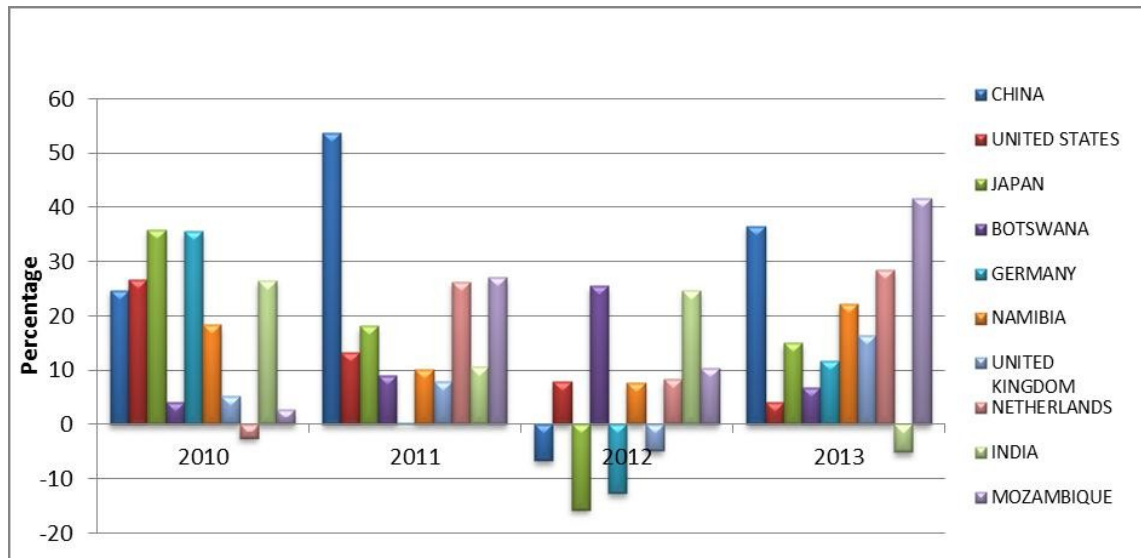
### South Africa's trade performance

**Figure 6: South Africa trade with the world (Rbn)**

Source: the dti

In 2013, South Africa exports performed relatively well. Total exports grew by 12.7%, a further acceleration in the growth rate of 5.2% in 2012. The growth is attributable to higher demand by China, the US, Botswana, Germany and Namibia, which accounted for 37% of total exports. Undoubtedly, economic recovery in the US and Euro area has boosted South Africa's exports and will continue to do so given the higher growth projections from advanced economies. Manufacturing exports grew by 12.5%, Agriculture by 27% and Mining by 10.8%. Manufacturing sub-sectors that experienced high growth were metal, metal products, machinery and equipment; petroleum products, chemicals, rubber and plastics as well as transport equipment. These sub-sectors contributed 68% to total manufacturing exports.

**Figure 7: Growth in South African exports to South Africa's top 10 trading partners**

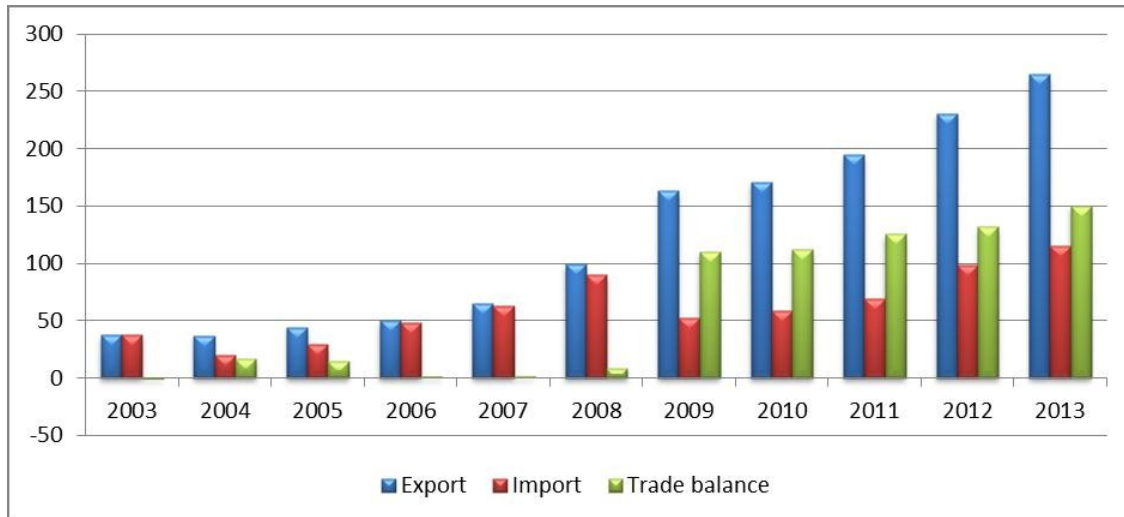


Source: **the dti**

The department has upscaled its efforts to diversify its trading and investment markets by expanding its focus to the fastest-growing markets in Africa and Asia. Figure 7 shows the top 10 South African trading markets, led by China, the Netherlands, Botswana, Mozambique and Namibia. Exports to China have recovered from a contraction of 6.6% in 2012 to a growth of 36% in 2013. Given China's intention to refocus its economy to consumer-led growth, South Africa's export basket might change substantially in the next five to 10 years – in favour of value-added products. Lower growth in China may impact South African exports negatively as China is an important destination for mineral exports.

Turning to the regional partners, South Africa exports a substantial proportion of its merchandise trade to SADC. Demand for South African merchandise by SADC grew significantly since the first quarter of 2008 when the global economy entered a deep recession, as shown in figure 8. Regional economic integration is key to South Africa's trade growth and, as such, **the dti** plays a critical role in advancing trade and economic integration on the continent.

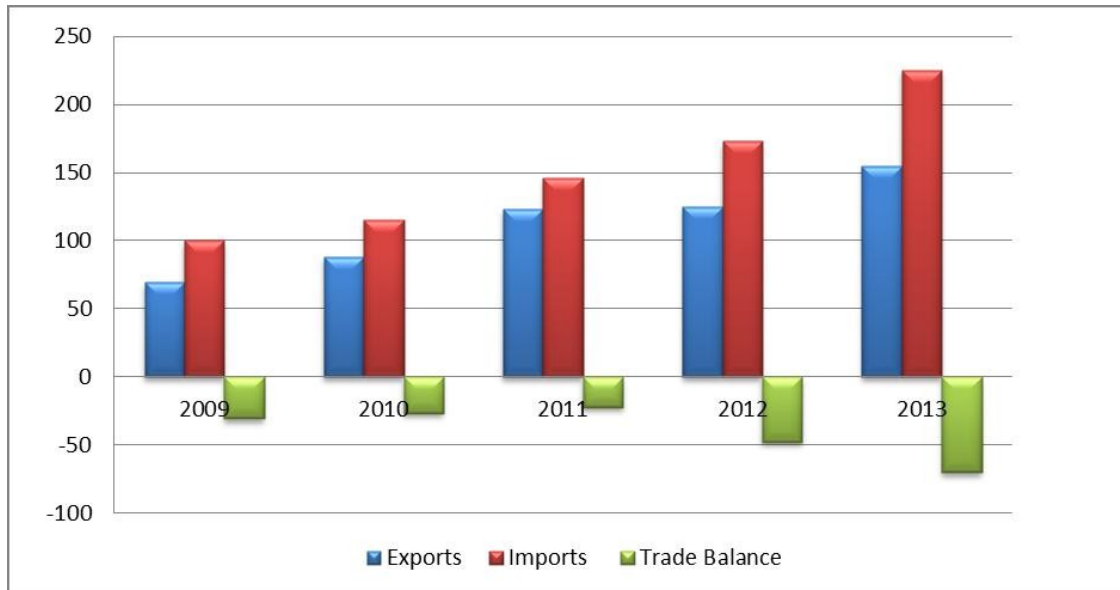


**Figure 8: Growth in South Africa's trade with Africa (Rbn)**

Source: the dti

**South Africa's trade with the Brazil, Russia, India and China (BRIC)**

South Africa's exports to the BRIC countries increased from R125,7 billion in 2012 to R155,2 billion in 2013, showing growth of 24% (see figure 8). China is the main driver of this growth. However, the re-balancing of the economy by China is likely to affect demand for commodities thereby reducing the commodity prices. This will have adverse implications for commodity trading countries such as South Africa. Imports from China have continued to grow, from R173 billion to R225 billion. This has widened the 2013 trade deficit to about R70 billion.

**Figure 9: South Africa trade with BRIC (Rbn)**Source: **the dti**

South Africa's trade with the BRIC countries has increased significantly as the partnership has developed and strengthened over the five-year period, starting from 2009. This also demonstrates that there are opportunities for South Africa to expand its trade and investment, while co-operating with other countries within the bloc. In line with this, the BRICS Trade Ministers meeting held in South Africa adopted the Trade and Investment Co-operation Framework.

While South Africa continues to increase its trade with its traditional partners, the focus will be channelled towards expanding trade partnerships with other emerging markets and developing economies. Furthermore, regional trade with Sub-Saharan Africa will be bolstered to take advantage of the continent's growing population and economic activities.

## 5. Strategic Overview

### 5.1 Vision

A dynamic industrial, globally competitive South African economy, characterised by inclusive growth and development, decent employment and equity, built on the full potential of all citizens.

### 5.2 Mission

the dti aims to:

- Promote structural transformation, towards a dynamic industrial and globally competitive economy;
- Provide a predictable, competitive, equitable and socially responsible environment, conducive to investment, trade and enterprise development;
- Broaden participation in the economy to strengthen economic development; and
- Continually improve the skills and capabilities of **the dti** to effectively deliver on its mandate and respond to the needs of South Africa's economic citizens.

### 5.3 Values

the dti Values are:

- **Operational excellence**, which is built on service delivery standards, international best practice, Batho Pele Principles, continuous improvement;
- **Intellectual excellence**, which encompasses continuous shared learning, innovation, relevant knowledge and skills improvement; and
- **Quality relationships** aimed at improved and continuous communication, honesty, respect, integrity, transparency, professionalism, ownership, leadership and teamwork.

## 6. Legislative and Other Mandates

Name of Act	Purpose
1. Abolition of the Fuel Research Institute and Coal Act, 1983 (Act No. 30 of 1983)	To repeal the Fuel Research Institute and Coal Act, 1963, and to provide for the vesting of the assets and liabilities, and the transfer of the employees of the Fuel Research Institute in and to the Council for Scientific and Industrial Research (CSIR).
2. Accreditation for Conformity Assessment, Calibration and Good Laboratory Practice Act, 2006 (Act No. 19 of 2006)	To provide for an internationally recognised and effective accreditation and monitoring system for the Republic of South Africa by establishing SANAS as a juristic person; to recognise SANAS as the only accreditation body in the Republic for the accreditation of conformity assessment and calibration as well as monitoring of good laboratory practice.
3. Alienation of Land Act, 1981 (Act No. 68 of 1981)	To regulate the alienation of land in certain circumstances and to provide for matters connected therewith.
4. Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003, as amended)	To establish a legislative framework for the promotion of black economic empowerment; to empower the Minister to issue Codes of Good Practice and publish transformation charters; to establish the Black Economic Empowerment Advisory Council; and to provide for matters connected therewith.
5. Close Corporations Act, 1984 (Act No. 69 of 1984)	To provide for the formation, registration, incorporation, management, control and liquidation of close corporations.
6. Companies Act, 2008 (Act No. 71 of 2008, as amended)	To provide a new legislative framework for the incorporation, registration and management of companies; to establish a Companies and Intellectual Property Commission (CIPC) and Companies Tribunal; and to provide for matters connected therewith.
7. Consumer Protection Act, 2008 (Act No. 68 of 2008)	To promote a fair, accessible and sustainable marketplace for consumer products and services, and for that purpose to establish national norms and standards relating to consumer protection; to provide for improved standards of consumer information; to prohibit certain unfair marketing and business practices; to promote responsible consumer behaviour; to promote a consistent legislative and enforcement framework relating to consumer transactions and agreements; to establish the National Consumer Commission (NCC); and to repeal certain laws.
8. Convention on Agency in the International Sale of Goods Act, 1986 (Act No. 4 of 1986)	To provide for the application in the Republic of the Convention on Agency in the International Sale of Goods adopted by the International Institute of the United Nations Organisation for the unification of Private Law.
9. Co-operatives Act, 2005 (Act No. 14 of 2005), as amended	To provide for the formation and registration of co-operatives and matters incidental thereto.

Name of Act	Purpose
10. Copyright Act, 1978 (Act No. 98 of 1978)	To regulate copyright in respect of, inter alia, artistic works, dramatic works, computer programs, musical and literary works.
11. Counterfeit Goods Act, 1997 (Act No. 37 of 1997)	To strengthen prohibitions on trade in counterfeit goods; confers powers on inspectors and the police to enter and search premises, with and without a warrant; and confers powers on Customs and Excise to seize and detain suspected counterfeit goods.
12. Designs Act, 1993 (Act No. 195 of 1993)	To consolidate the law relating to designs; to provide for the registration of designs; and to delineate the rights pertaining thereto.
13. Export Credit and Foreign Investments Re-insurance Act, 1957 (Act No. 78 of 1957), as amended	To promote trade with countries outside the Republic by providing for the insurance on behalf of the Government of the Republic for contracts in connection with export transactions, investments and loans or similar facilities connected with such transactions.
14. Expropriation (Establishment of Undertakings) Act, 1951 (Act No. 39 of 1951)	To provide for the expropriation of land and the taking of the right to use land temporarily for or in connection with the objects or undertakings of national importance.
15. Housing Development Schemes for Retired Persons Act, 1988 (Act No. 65 of 1988)	To regulate the alienation of certain interests in housing development schemes for retired persons and to provide for matters connected therewith.
16. Intellectual Property Laws Rationalisation Act, 1996 (Act No. 107 of 1996)	To provide for the integration of intellectual property rights subsisting in the ex-TBVC (Transkei, Bophuthatswana, Venda and Ciskei) into the national system, to extend the South African intellectual property rights legislation throughout the Republic and to repeal certain intellectual property laws.
17. International Convention for Safe Containers Act, 1985 (Act No. 11 of 1985)	To provide for the application in the Republic of the International Convention for Safe Containers so as to maintain a high level of safety of human life in the handling, stockpiling and transporting of containers.
18. Liquor Act, 2003 (Act No. 59 of 2003)	To establish national norms and standards to maintain economic unity within the liquor industry; to provide for essential national standards and minimum standards required for the rendering of services; to provide for measures to promote co-operative government in the area of liquor regulation; and to provide for matters connected therewith.
19. Lotteries Act, 1997 (Act No. 57 of 1997), as amended	To establish a National Lotteries Board and regulate and prohibit lotteries and sports pools.
20. Manufacturing Development Act, 1993 (Act No. 187 of 1993)	To establish the Manufacturing Development Board; to provide for the establishment of programmes for manufacturing development; and for matters incidental thereto.
21. Measurement Units and Measurement Standards Act, 2006 (Act No. 18 of 2006)	To provide for the use of measurement units of the International System of Units; to provide for the designation, keeping and maintenance of national measurement units and standards; to provide for the establishment and functions of the National Metrology Institute; and to provide for the repeal of certain laws.

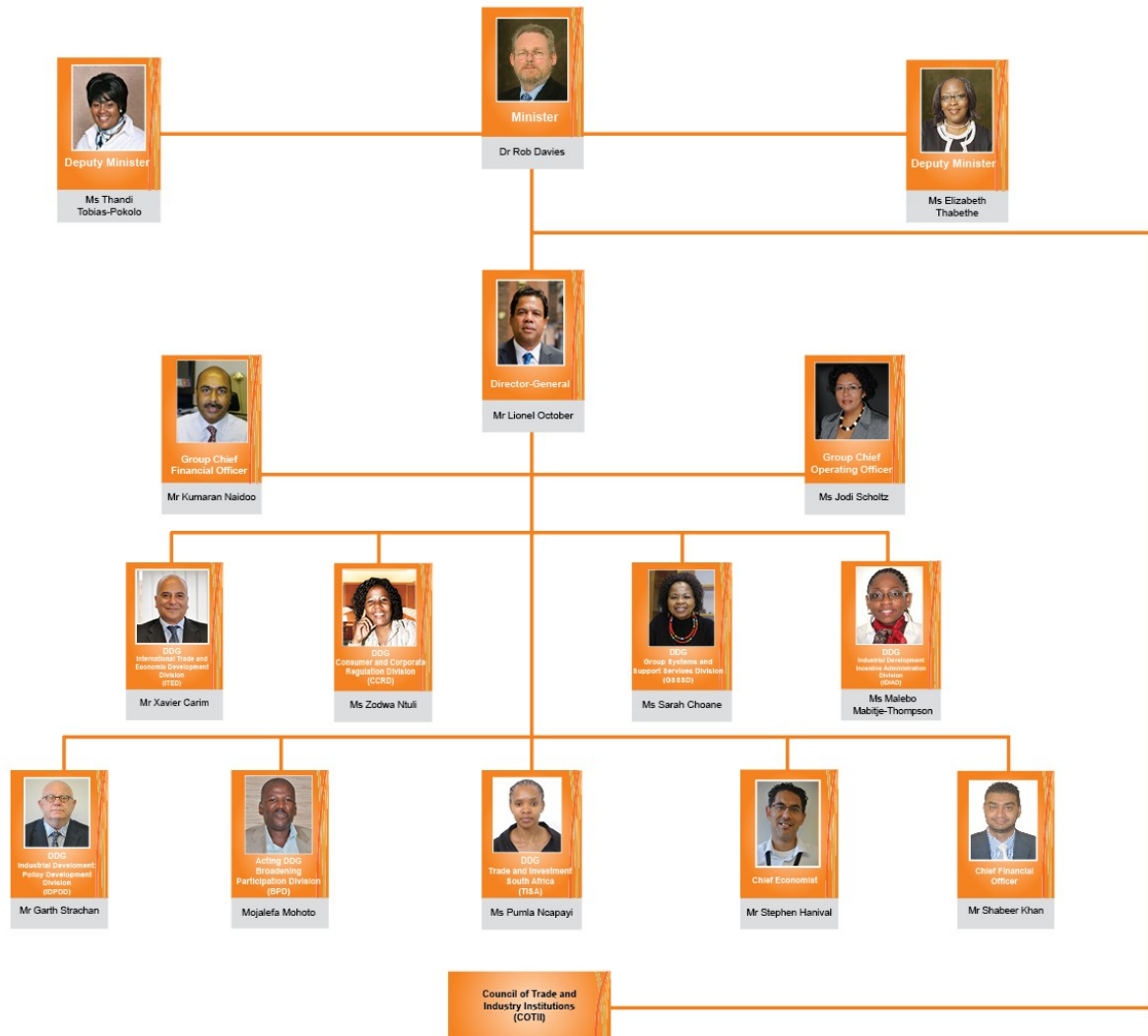
Name of Act	Purpose
22. Merchandise Marks Act, 1941 (Act No. 17 of 1941)	To make provision concerning the marking of merchandise and of coverings in or with which merchandise is sold and the use of certain words and emblems in connection with business.
23. National Building Regulations and Building Standards Act, 1977 (Act No. 103 of 1977)	To provide for the promotion of uniformity in the law relating to the erection of buildings in the areas of jurisdiction of local authorities and for the prescribing of building standards.
24. National Credit Act, 2005 (Act No. 34 of 2005)	To promote a fair and non-discriminatory marketplace for access to consumer credit and for that purpose to provide for the general regulation of consumer credit and improved standards of consumer information.
25. National Empowerment Fund Act, 1998 (Act No. 105 of 1998)	To establish a trust to promote and facilitate ownership of income-generating assets by historically disadvantaged persons, particularly assets in state-owned enterprises made available at a discount as part of restructuring programmes; gives powers to the trust to enable it to establish sub-trusts and investment companies to promote black economic empowerment.
26. National Gambling Act, 2004 (Act No. 7 of 2004)	To provide for the co-ordination of concurrent national and provincial legislative competence over matters relating to casinos, racing, gambling and wagering; and to provide for the continued regulation of those matters; for that purpose to establish certain uniform norms and standards applicable to national and provincial regulation and licensing of certain gambling activities; to provide for the creation of additional uniform norms and standards applicable throughout the Republic; to retain the National Gambling Board; to establish the National Gambling Policy Council; to repeal the National Gambling Act, 1996; and to provide for matters incidental thereto.
27. National Regulator for Compulsory Specifications Act, 2008 (Act No. 5 of 2008)	To provide for the administration and maintenance of compulsory specifications in the interest of public safety, health and environmental protection; and to provide for the establishment of the NRCS.
28. National Small Enterprise Act, 1996 (Act No. 102 of 1996)	To provide for the establishment of the Advisory Board and the Small Enterprise Development Agency ( <b>seda</b> ); and to provide for guidelines to be followed by organs of state to promote small enterprise in South Africa; and for matters incidental thereto.
29. National Supplies Procurement Act, 1970 (Act No. 89 of 1970)	To empower the responsible Minister to manufacture, produce, acquire, hire or import goods; to acquire, hire or supply services; and to exercise control over goods and services and the manufacture, production, processing and treating of goods; and to provide for the establishment and administration of a National Supplies Procurement Fund.
30. Non-Proliferation of Weapons of Mass Destruction Act, 1993 (Act No. 87 of 1993)	To provide for control over weapons of mass destruction and to establish a council to control and manage matters relating to the proliferation of such weapons in the Republic; to determine its objectives and functions; and to prescribe the manner in which it is to be managed and controlled.

Name of Act	Purpose
31. Patents Act, 1978 (Act No. 57 of 1978)	To provide for the registration and granting of letters, patents for inventions and for the rights of a patentee.
32. Performers Protection Act, 1967 (Act No. 11 of 1967)	To provide for the protection of the rights of performers of literary and artistic works.
33. Property Time Sharing Control Act, 1983 (Act No. 75 of 1983)	To regulate the alienation of time-sharing interests pursuant to property time-sharing schemes.
34. Protection of Businesses Act, 1978 (Act No. 99 of 1978)	To restrict the enforcement in the Republic of certain foreign judgments, orders, directions, arbitration awards and letters of request; to prohibit the furnishing of information relating to businesses in compliance with foreign orders, directions or letters of request.
35. Rationalisation of Corporate Laws Act, 1996 (Act No. 45 of 1996)	To provide that certain corporate laws shall apply throughout the Republic of South Africa, to repeal certain corporate laws and provide for the retrospective incorporation of certain putative close corporations.
36. Registration of Copyright in Cinematograph Films Act, 1977 (Act No. 62 of 1977)	To provide for the registration of copyright in cinematograph films and for matters connected therewith.
37. Share Blocks Control Act, 1980 (Act No. 59 of 1980)	To control the operation of share block schemes, i.e. any scheme in terms of which a share, in any manner whatsoever, confers a right to or an interest in the use of immovable property.
38. Small Business Development Act, 1981 (Act No. 112 of 1981)	Whole Act was repealed, save for Section 2A dealing with the application of the Insurance Act, 1943.
39. Space Affairs Act, 1993 (Act No. 84 of 1993)	To provide for the establishment of a Council to manage and control certain space affairs in the Republic; to determine its objects and functions; and to prescribe the manner in which it is to be managed and controlled.
40. Standards Act, 2008 (Act No. 8 of 2008)	To provide for the development, promotion and maintenance of standardisation and quality in connection with commodities and the rendering of related conformity assessment services; and for that purpose to provide for the continued existence of the South African Bureau of Standards (SABS), as the peak national institution; to provide for the repeal of the Standards Act, 1993; and to provide for transitional arrangements.
41. Sugar Act, 1978 (Act No. 9 of 1978)	To consolidate and amend the laws relating to the sugar industry; and to provide for matters incidental thereto.
42. Temporary Removal of Restrictions on Economic Activities Act, 1986 (Act No. 87 of 1986)	To empower the President to suspend temporarily laws or conditions, limitations or obligations there under, if their application unduly impedes economic development or competition.
43. Trade Marks Act, 1993 (Act No. 194 of 1993)	To consolidate the law relating to trademarks and to provide for the registration of trademarks, certification of trademarks and collective trademarks and for the protection of rights relating thereto.



Name of Act	Purpose
44. Trade Metrology Act, 1973 (Act No. 77 of 1973)	To consolidate and amend the law relating to trade metrology so as to ensure the accuracy of measuring instruments utilised in trade on the basis of national measuring standards.
45. Unauthorised Use of Emblems Act, 1961 (Act No. 37 of 1961)	To provide for the continued operation of certain laws relating to the use of certain emblems and representations, and to extend the scope of such laws.

## 7. Organisational Structure as at 31 March 2014



## 8. Entities Reporting to the Minister

The table below indicates the entities that report to the Minister of Trade and Industry.

<b>Name of the Public Entity</b>	<b>Legislative Mandate</b>	<b>Financial Relationship</b>	<b>Nature of operations</b>
<b>1. Companies and Intellectual Property Commission (CIPC)</b>	Companies Act, 2008 (Act No. 71 of 2008), as amended	Transfer payment	The CIPC was established to: enforce intellectual property and company laws, including the registration of companies; promote voluntary resolution disputes arising between a company and a shareholder or director, without intervening in or adjudicating on the dispute; monitor patterns of compliance; evaluate complaints; initiate investigations, including referring matters to a court; and appearing before the court or the Companies Tribunal.
<b>2. Export Credit Insurance Corporation (ECIC) SOC Limited of South Africa</b>	Export Credit and Foreign Investments Re-Insurance Act, 1957 (Act No. 78 of 1957)	Transfer payment	The ECIC is a self-sustained, national export credit agency. Its mandate is to facilitate and encourage South African export trade by underwriting export credit loans and investments outside South Africa to enable South African contractors to win capital goods and services in other countries. It evaluates export credit and foreign investment risks and provides export credit and foreign investments insurance cover on behalf of the South African Government.
<b>3. National Consumer Commission (NCC)</b>	Consumer Protection Act, 2008 (Act No. 68 of 2008)	Transfer payment	The NCC is responsible for carrying out the functions and exercising the powers assigned to it. In carrying out its functions, the Commission may review international developments in the field of consumer protection; or consult any person, organisation or institution with regard to any matter relating to consumer protection.
<b>4. National Consumer Tribunal (NCT)</b>	National Credit Act, 2005 (Act No. 34 of 2005)	Transfer payment	The NCT adjudicates any application that may be made to it, and makes any order provided for in respect of such an application; or allegations of prohibited conduct by determining whether prohibited conduct has occurred and, if so, by imposing a remedy. It grants orders for costs, and can exercise any other power conferred on it by law.

<b>Name of the Public Entity</b>	<b>Legislative Mandate</b>	<b>Financial Relationship</b>	<b>Nature of operations</b>
<b>5. Companies Tribunal (CT)</b>	Companies Act, 2008 (Act No. 71 of 2008)	Transfer payment	The CT adjudicates in relation to any application that may be made to it in terms of this Act, and makes any order provided for in this Act in respect of such an application.
<b>6. National Credit Regulator (NCR)</b>	National Credit Act, 2005 (Act No. 34 of 2005)	Transfer payment	The NCR is responsible for the promotion and supports the development, where the need exists, of a fair, transparent, competitive, sustainable, responsible, efficient, effective consumer credit market and promotes historically disadvantaged persons; low-income persons and communities, and remote, isolated or low density populations and communities in the end-user credit market. It conducts research and proposes policies to the Minister in relation to any matter affecting the consumer credit industry, including but not limited to proposals for legislative, regulatory or policy initiatives that would improve access to credit for persons contemplated above.
<b>7. National Empowerment Fund (NEF)</b>	National Empowerment Fund Act, 1998 (Act No. 105 of 1998)	Transfer payment	The focus of the NEF is to promote and facilitate black economic equality and transformation. It provides finance and financial solutions to black business across a range of sectors, and structures accessible retail savings products for black people based on state-owned equity investments. Its mandate and mission is to be Government's funding agency in facilitating the implementation of B-BBEE in terms of BEE Codes of Good Practice.
<b>8. National Gambling Board (NGB)</b>	National Gambling Act, 2004 (Act No. 7 of 2004)	Transfer payment	The NGB was established to monitor and investigate, when necessary, the issuing of national licences by provincial licensing authorities entering into agreements with those authorities in respect of steps to be taken to correct any deficiencies, making recommendations, monitoring the socio-economic patterns of gambling activity within

Name of the Public Entity	Legislative Mandate	Financial Relationship	Nature of operations
			the Republic and, in particular, researching and identifying factors relating to, and patterns, causes, and consequences of: (i) the socio-economic impact of gambling; and (ii) addictive or compulsive gambling.
<b>9. National Lotteries Board (NLB)</b>	Lotteries Act, 1997 (Act No. 57 of 1997)	Transfer payment	The NLB monitors and enforces the implementation of the national lottery and the establishment of private lotteries and promotional competition. It manages the National Lottery Distribution Trust Funds, which distributes proceeds from its share of the lottery sales to worthy causes.
<b>10. National Metrology Institute of South Africa (NMISA)</b>	Measurement Units and Measurement Standards Act, 2006 (Act No. 18 of 2006)	Transfer payment	NMISA is responsible for realising, maintaining and disseminating the International System of Unit (SI). It maintains and develops primary scientific standards of physical quantities for South Africa and compares those standards with other national standards to ensure global measurement equivalence.
<b>11. National Regulator for Compulsory Specifications (NRCS)</b>	National Regulator for Compulsory Specifications Act, 2008 (Act No. 5 of 2008)	Transfer payment	The NRCS provides for the establishment of this institution. The Act protects consumers and promotes South Africa's competitiveness by ensuring that regulated products manufactured and sold in the marketplace meet minimum safety, health and fair trade requirements.
<b>12. Small Enterprise Development Agency (seda)</b>	National Small Enterprise Act, 1996 (Act No. 102 of 1996)	Transfer payment	<b>seda</b> provides non-financial business development and support services for small enterprises in partnership with other role players. Its mission is to develop, support and promote small enterprises to ensure their growth and sustainability.

Name of the Public Entity	Legislative Mandate	Financial Relationship	Nature of operations
<b>13. South African Bureau of Standards (SABS)</b>	Standards Act, 2008 (Act No. 8 of 2008)	Transfer payment	The SABS aims to develop, promote and maintain South African National Standards; promote quality in connection with commodities, products and services; and render conformity assessment services and matters connected therewith.
<b>14. South African National Accreditation System (SANAS)</b>	Accreditation for Conformity Assessment, Calibration and Good Laboratory Practice Act, 2006 (Act No. 19 of 2006)	Transfer payment	The aim of the SANAS is to accredit or monitor, for Good Laboratory Practice (GLP) compliance purposes, organisations falling within its scope of activity; promote accreditation as a means of facilitating international trade and enhancing South Africa's economic performance and transformation; promote competence and equivalence of accredited bodies; and promote the competence and equivalence of GLP complaint facilities.



# the dti

## Programme Performance





## **9. Auditor-General's Report: Predetermined Objectives**

The AGSA currently performs certain audit procedures on the performance information to provide reasonable assurance in the form of an audit conclusion. The audit conclusion on the performance against predetermined objectives is included in the report to management under the "Predetermined Objectives" heading in the report on other legal and regulatory requirements section of the auditor's report.

Refer to page 105 of the Report of the Auditor-General.

## **10. Overview of Departmental Performance**

### **10.1 Service Delivery Environment, including progress made on the strategic outcome-oriented goals**

**the dti** has over the five years recorded commendable progress in delivering on its mandates in the following ways:

#### **10.1.1 Facilitate transformation of the economy to promote industrial development, investment, competitiveness and employment creation**

**the dti** is mandated to create an enabling environment to support job creation, growth and competitiveness in manufacturing and related value-adding sectors. The work is done through the development and implementation of customised sector programmes and cross-cutting initiatives to improve industrial competitiveness. The department also has the responsibility to strengthen key IPAP strategic platforms, including procurement, industrial financing and strategic trade policy, and scale-up interventions in IPAP sectors such as taking advantage of opportunities to regain domestic market share in areas like clothing, textiles, leather and footwear (CTLF) and agro-processing.

In implementing these objectives, the department strives to foster closer alignment of export and investment-promotion efforts with industrial development priorities set out in IPAP and the New Growth Path (NGP). An area of priority will be to contribute to efforts of deepening regional industrial development, with a focus on priority sectors already identified. Lastly, the mandate includes building the confidence of sectors and firms to upgrade rapidly to weather the current stormy economic environment, to position themselves for opportunities for growth and increase manufacturing prospects linked to large public sector infrastructure capital investments in sectors such as metal fabrication, capital equipment, rail and renewable energy.

The sixth iteration of the annual rolling IPAP (IPAP 2014/15 – 2016/17) was tabled in Cabinet in March 2014.

Further traction was realised following the designation of the first set of sectors in the previous financial year. Requests for the publication of designation instruction notes were sent to the NT in February 2014 for boats (working vessels) as well as residential electricity metering. The sector desks also concluded research reports on the designation of rail signalling, light-emitting diode (LED) and energy-efficient (EE) lighting as well as plastic pipes for preferential public procurement from local suppliers. To gauge the compliance levels to the designation instructions, local content verification for all transversal contractors on CTLF tenders with

contract values of R1 million or above was concluded in December 2013. Additionally, in July 2013, the Minister officially launched the new SABS Local Content Verification Office, with a new technical instrument the South African Technical Specifications (SATS) 1286 in support of South Africa's localisation strategy.

Since the designation of buses, 300 have been procured with localisation requirements as set out in the designation instruction note. Major contracts included Mercedes-Benz SA's successful tender to provide 134 buses for Phase 1B of Johannesburg's Rea Vaya BRT system; Volvo SA's successful tender to provide 40 new vehicles to the City of Cape Town for its extended My Citi bus routes at a cost of R180 million; and MAN supplying 80 new commuter buses to Great North Transport, Limpopo's largest public transit operator. The NRCS has confiscated and destroyed a large number of non-compliant products, with the majority from the electro-technical sector. The Minister attended destruction functions that took place in October and December 2013 in Durban and Cape Town, as well as in Pretoria in March 2014.

Related to preferential public procurement designation discussed above is the management of the NIPP. The department plans to ensure a closer working link between these two important levers of industrialisation. During the past financial year, the guidelines for approval by Cabinet were reviewed. The revised NIPP guidelines were approved by the Minister in 2013. The new guidelines place strong emphasis on direct NIPP, which has effectively closed loopholes identified in the previous guidelines.

In the automotives sector, in collaboration with the Department of Environmental Affairs, **the dti** launched the Electric Vehicle (EV) Industry Road Map initiative, which looks to develop a domestic Electric Vehicle industry. A co-operation agreement between South Africa and Japan aimed at assisting local automotive suppliers to improve manufacturing competitiveness was signed in June 2013. In trying to collaborate with the industry, the Automotive Supply Chain Competitiveness Initiative (ASCCI), a partnership between Government, labour and business was launched in October 2013. Iveco announced the formation of Iveco South Africa Works, a new 60:40 joint-venture partnership between Iveco and local public transport operator and bus manufacturer Larimar group. The plant in Rosslyn will assemble an initial 5 000 units in 2014, with the creation of more than 1 000 new jobs. Toyota invested in a manufacturing facility to produce a new model Toyota Corolla at the company's Durban plant. Mercedes-Benz SA has escalated its total investment in the country to more than R5 billion, underpinning an increase in its local output to 100 000 units a year and creating 800 new jobs. Production of the new C-Class has already started at the Mercedes East London plant, and will slowly ramp up from the current 250 units to full capacity of 420 units a day. The new model will be introduced to the South African market in June 2014. General Motors SA (GMSA), in partnership with component manufacturer Tenneco SA, had been awarded a R6 billion contract to export catalytic converters to North America.

In agro-processing, **the dti**, in collaboration with Buhler, launched the innovative Isigayo plant in April 2013. **the dti** also facilitated the establishment and launch of a small-scale milling plant by Kuvusa (Pty) Ltd in Durban. To date, seven bio-fuels manufacturers have been licensed by the DOE and an eighth potential manufacturer is in the initial stages of licensing. Manufacturers are in four provinces: KwaZulu-Natal, Eastern Cape, Free State and Gauteng.

In pharmaceuticals, part of the 2013-2014 Family Planning Tender (all South African-made contraceptives) worth an estimated R100 million has been designated. Preliminary data shows that 70% of the 2013-2014

anti-TB tender (worth R850 million) has been won by South African manufacturers (in the absence of designation).

As part of the Green Industries work, the Radiation Training Facility at Necsa was officially opened by the Minister. This project is funded by Sector-Wide Enterprise, Employment and Equity Programme (SWEEEP) to the value of R3 million. The facility is the only one of its kind in Africa and is training Radiation Protection Officers (RPO). These RPOs are in high demand not only in the nuclear sector, but a number of others, including medical, manufacturing, security, mining, construction and agro-processing. One hundred RPOs have already been trained. Significant progress has been made in the Renewable Energy Independent Power Producer Procurement Programme (REIPPPP), with the DOE approving 19 bids in the second round in the solar photovoltaic, wind, small hydro and concentrated solar power sectors.

In March 2014, the transport utility Transnet awarded a R50 billion contract to four manufacturers for the building of 1 064 locomotives, which will create and/or preserve approximately 30 000 jobs. The contracts include stringent local content, skills development and training commitments, and were awarded to CSR Zhuzhou Electric Locomotive and Bombardier Transportation SA to supply 599 electric locomotives, while General Electric South Africa Technologies and CNR Rolling Stock South Africa (Pty) Ltd would build and supply 465 diesel locomotives. All the locomotives, except 70, are to be built at Transnet's Engineering plants in Koedoespoort (Pretoria) and Durban, to help drive the country's regional integration objectives.

To develop skills in the capital equipment and metals fabrication sector, the National Tooling Initiative Programme (NTIP), supported by the Gauteng Tooling Initiative (GTI), the Tool-making Association of South Africa (TASA) and the Gauteng Department of Economic Development (GDED), launched an enterprise development programme in July 2013 to bring Gauteng tooling manufacturers in line with global best practice and boost their competitiveness and profitability.

The toolmaker apprenticeship course was accredited by the South African Qualifications Authority (SAQA) in November 2013. In addition, the Gauteng Foundry Training Centre was successfully launched in September 2013 at the Ekurhuleni East Further Education and Training (FET) College and will assist the industry in the implementation of the foundry apprenticeship programme. The third element of skills development in this area, the Gold Loan Financing Scheme, has been approved under MCEP Niche Projects funding for R100 million. The IDC has been appointed as the scheme administrator.

The CTCP has stabilised the CTLF sector and much progress has been made since the launch of the programme. The scheme consists of two elements, namely the CIP and PIP. Under the CIP, 44 applications were received to the value of R645 million, with R77.7 million already disbursed. Under the PIP, 777 approvals have been made to a total value of R2.2 billion. Since inception, 63 311 jobs have been saved and 8 459 jobs created. Two new regional footwear clusters have been established under the National Leather and Footwear Cluster Initiative. These are the Fast-Track Cluster (Eddels) in KwaZulu-Natal and the Southern Cape Regional Footwear Cluster (Watsons).

A total of 3 233 unemployed learners were enrolled for training and 2 417 placed into employment to increase the pool of agents suitable for middle-management employment in the Monyetla Work Readiness Programme, which is part of the BPS initiative. In the creative industries sector, 35 craft small, medium and micro enterprises (SMMEs) successfully participated at the India International Trade Fair (IITF), with South

African Handmade Collection (SAHC) winning a silver trophy for best stand and products. Twenty music SMMEs successfully participated at the World Music Expo in Wales.

The film *Long Walk to Freedom*, which cost R239 million to produce, premiered and was released countrywide in November 2013, earning more than R23 million at the box-office to become the highest-grossing film in the country. *Four Corners*, South Africa's official Oscar submission for Best Foreign Language Film, received a Best International Film Nomination from the International Press Academy (IPA) for the Satellite Awards ceremony held in March 2014.

#### **10.1.2 Build mutually beneficial regional and global relations to advance South Africa's trade, industrial policy and economic development objectives**

**the dti** is responsible for leading the development and implementation of South Africa's trade and investment policy. In broad terms, this requires ongoing efforts to shape the terms and conditions of integration into the global economy in a manner that supports South Africa's national economic developmental objectives. The department works to create conditions that will enhance South Africa's ability to export higher value-added products, promote inward and outward investment to Africa, and preserve the space to implement national development policies.

**the dti** plays a prominent role in advancing trade and economic integration in Africa. Within the SACU, the department continues to support work that will advance the five-point plan that gives priority to enhanced co-ordination for regional industrial development. **the dti** has led the process to identify sectors for developing cross-border complementary value-chains, with the agro-processing sector being designated as the pilot. Work has been done to promote trade facilitation and ensure that SACU takes and maintains unified positions in trade negotiations with third parties.

In SADC, **the dti's** key objective has been to consolidate the Trade Protocol by ensuring that those members who have lagged in implementing their commitments do so. Work continues to develop SADC-wide standards, to address on an ongoing basis non-tariff barriers (NTB) that impede trade and to promote trade facilitation. Negotiations have been launched on trade in services and **the dti** led the process to develop South Africa's initial offer in these negotiations.

**the dti** led the process of co-ordinating a unified SACU position in the T-FTA negotiations. Over the course of 2013 and 2014, **the dti** contributed to defining the principles and modalities for the negotiations, prepared and submitted South Africa's negotiating tariff offer as well as some of the key legal texts for an eventual agreement. **the dti** supported the work on infrastructure development under the T-FTA by leading preparations for South Africa's negotiations on the memorandum of understanding (MoU) for the North-South Corridor.

Bilateral work in Africa is intensifying, where **the dti** organised missions that involved Government and business engagements with 11 countries across the continent. This was an intensive engagement involving 32 inward and outward missions. The department also facilitated outward investments and funding for major infrastructure programmes in African countries.

**the dti** played a growing role in South Africa's overall participation in the BRICS Forum. Over the course of the financial year, the department led the process of preparing a joint BRICS study on trade in high value-added goods and initiated a dialogue on investment treaty policy.

The department participates in an extensive international engagement programme, either directly or in collaboration with other departments. Over this review period, there were 49 inward/outward bilateral engagements in which **the dti** worked to strengthen economic links with countries around the world. Notably, **the dti** continued its efforts in collaboration with other countries in Sub-Saharan Africa to extend the US Africa Growth and Opportunity Act (AGOA), which is due to expire in September 2015. South Africa has argued for a 15-year extension to the programme, and to strengthen it in ways that expands US investment to Africa and supports continental integration more decisively.

**the dti** continued to represent South Africa at the Economic Partnership Agreement (EPA) negotiations with the EU to establish a common trade in goods arrangement between SACU and the EU. This builds on the existing bilateral Trade, Development and Co-operation Agreement (TDCA) between South Africa and the EU, and aims to improve South Africa's access to the EU market in agricultural products, with the other SACU countries obtaining duty-free quota-free access to the EU. In addition, work has continued on a bilateral agreement between South Africa and the EU on geographic indicators.

**the dti** led South Africa's preparation for and participation in the ninth WTO Ministerial Conference in December 2013. South Africa's objective to ensure a balanced outcome that takes on board the interests of the least developed countries and most vulnerable economies was in some measure achieved. Work has continued to develop a road map to take these issues forward, while preparations for implementation of the Trade Facilitation Agreement continues in parallel, in a manner that supports integration in Africa

**the dti** was elected Executive Vice-President of WAIPA, and South Africa was voted overall winner by the *Financial Times* for the best investment destination for 2013 and 2014.

Investments in the automotive, FMCG, BPS and renewable energy sectors have confirmed South Africa as a preferred investment destination. These companies include Proctor and Gamble, Nestle, Unilever, Hisense in terms of the manufacturing sector and DCD Wind, Jinko Solar, Powerway, Abengoa, Gestamp and ILB Helios in terms of the renewable energy sector. South African companies have added new investments, expanded or upgraded their production capacity to serve local and international markets. They are Aspen, MPACT and Astral Foods. A pipeline of potential investment for the 2013/14 financial year amounted to R60.5 billion.

Significant progress has been made in the rollout of the National Exporter Development Programme (NEDP). **the dti** has stepped up its effort in terms of sharpening its tools for easier access to information and export advice through the establishment of an Export Help Desk at the Campus, supported by multiple delivery sources of business intelligence and a trade lead management system; 1 300 potential exporters were assisted through the help desk. In addition, more than 1 000 companies have been trained under the Global Exporter Passport Programme to enhance their export readiness.

The National Export Strategy will be launched in the coming financial year and will encompass the development of a National Export Development Act as well as the institutionalisation of the National Exporter Advisory Council, which will have oversight of the National and Provincial Exporter Forums. The target for export sales to be facilitated in the 2014/15 financial year is R3 billion. **the dti** will commission two studies of global supply chains aimed at integrating South African value-added products and services into the value streams. Implementation of the market and product diversification strategy will include continued EMIA support to new and existing exporters of value-added manufactured goods to access global markets, particularly in the high-growth economies as well as the traditional trading partners. This will be attained through the ongoing implementation of National Pavilions and Group Missions.

#### **10.1.3 Facilitate broad-based economic participation through targeted interventions to achieve more inclusive growth**

**seda** is a public entity of **the dti** mandated to implement Government's small business strategy; design and implement a standard and common national delivery network for small enterprise development; and integrate Government-funded small enterprise support agencies across all levels of government. **seda** achieves this mandate by developing, supporting and promoting small enterprises to ensure their growth and sustainability.

The expansion of the incubation programmes remained a critical objective. To this end, the Incubation Support Programme (ISP) received 157 applications during the 2013/14 financial year. Of these, 28 were approved by the Adjudication Committee, which is made up of representatives from the IDC, National Empowerment Fund (NEF), **seda**, South African Business and Technology Incubation Association (SABTIA) and **the dti**. The value of approved projects amounts to R513.8 million over a period of three years.

The **seda** Technology Programme (**stp**), which is managed by **seda**, supported 1 587 SMMEs and created 432 SMMEs. Currently, 42 incubators countrywide support SMMEs in various industrial sectors, including chemical, biotechnology, floriculture, small-scale mining, Information and Communication Technology (ICT), stainless steel, furniture, construction, jewellery, bio-fuels, agriculture, automotives, base metals, mixed manufacturing and aluminium.

The Support Programme for Industrial Innovation (SPII) received 43 proposals and the adjudication panel successfully approved 31 projects, exceeding the set target. The total value approved amounted to R75.9 million. Due to the high demand from participating private-sector partners, the SPII management and **the dti** sought to obtain approval for a top-up facility of R50 million from the IDC, which was not granted, and the programme was placed under moratorium until the next Medium-Term Expenditure Framework (MTEF) cycle.

The Technology and Human Resources for Industry Programme (THRIP), which is managed by the National Research Foundation (NRF) on behalf of **the dti**, supported 1 548 students and 1 047 researchers.

Integration and harmonisation of programmes and institutions in supporting SMMEs, co-operatives and the informal business sector is a priority. Interventions such as co-location of support services are a priority in ensuring improved support to SMMEs, co-operatives and the informal business sector. This has led to the development of the Integrated SMMEs and Co-operative Development Framework and Action Plan. For the

financial year under review, the framework and action plan were approved by Members of Executive Councils (MinMec) and the Minister.

Furthermore, the aforementioned framework seeks to strengthen inter-governmental co-ordination mechanisms such as MinMec to be a central structure to co-ordinate the implementation of the Integrated SMME and Co-operative Development Framework and Action Plan.

The recent launch of the NIBUS has added more impetus in the creation of an enabling regulatory environment that will enhance enterprise development support and co-ordinate intergovernmental and stakeholder relations for broader participation of South Africa's informal sector in the economy.

In support of the development of young entrepreneurs in agro-processing and welding respectively, two Centres of Entrepreneurship were launched at the King Hintsa FET College in Butterworth, Eastern Cape, and Ekurhuleni West FET College in KwaZulu-Natal. Two Memoranda of Agreement (MOA) were concluded with Gert Sibande FET College in Mpumalanga and the False Bay FET College in the Western Cape.

The Workplace Challenge Programme implemented a world-class best practice training programme in 322 new companies.

During the period under review, the B-BBEE Amendment Act was assented to by the State President. The B-BBEE Codes of Good Practice have also been published by the Minister and will be implemented in 2015. With regards to gender empowerment, 16 projects have been approved under the Isivande Women's Fund to the value of R20.8 million.

The SEZ Bill was passed in Parliament in March 2014. The Bill has been referred to the President for assent. Planning work around the proposed 10 new SEZs is under way. The proposed zones are in the Eastern Cape (Wild Coast region), Free State (Maloti-a-Phofung region), Gauteng (Jo'burg), KwaZulu-Natal (eThekweni-Dube Trade Port), Limpopo (Tubatse and Musina), Mpumalanga (Nkomazi), Northern Cape (Upington), North West (Bojanala) and Western Cape (Atlantis).

Service providers have been appointed to undertake feasibility studies for all proposed SEZs, with the exception of Gauteng, in respect of which appointment awaits approval. Pre-feasibility studies have been completed for Tubatse and Upington, while others are being finalised for Bojanala (North West), Maluti-a-Phofung (Free State), Musina (Limpopo) and Nkomazi (Mpumalanga). Applications for designation have been submitted to the Manufacturing Development Board in respect of Dube Trade Port (KwaZulu-Natal).

Project management units have been established in all provinces to co-ordinate the planning work for SEZs in the respective provinces. In addition, the SEZ Capacity Building Programme has been implemented in partnership with the Chinese Government. Thirty officials from all spheres of Government attended training in China during 2013.

Work is continuing to strengthen partnerships with provinces and municipalities to promote joint planning and implementation of high-impact industrial projects.

#### 10.1.4 Create a fair regulatory environment that enables investment, trade and enterprise development in an equitable and socially responsible manner

**the dti** presented the Lotteries Policy and Amendment Bill, which was assented to by the President and aims to improve the framework for the distribution of funds, streamline processes, enhance accountability and measures to deal with conflict of interest, and provide for both application-based and proactive funding. In response to the challenges relating to concerns raised about the manner in which businesses are conducted in communities, and the violence allegedly meted out on businesses owned by foreigners, **the dti** developed a policy framework and Licensing of Business Bill, and conducted public consultation processes during this reporting period. **the dti** also tabled the Bill and Policy on the review of the National Credit Amendment Bill. The Policy and Bill deal with empowering the CEO to delegate certain functions and for the NCR to de-register registrants if they contravene conditions.

An Impact Assessment Study on the Liquor Act Policy was developed and aims to assess the socio-economic effects of liquor. Study results were incorporated in the draft liquor policy. Further liquor regulations on the CHAN Tournament were signed off by the Minister and a Notice published in the *Government Gazette* for public comment. In addition, a regulatory impact assessment report was developed with recommendations for approval on gambling to assess the socio-economic effects, which will be incorporated in the draft gambling policy as well as the Gambling Review Commission recommendations.

In 2009 the President had initiated the Anti-Piracy Campaign, which provided artists with a platform to raise various concerns, including the issue of formalisation of the industry. Multimedia campaigns on anti-piracy were conducted, reaching more than six million listeners, and two activation campaigns were held at Boksburg Mall and Church Square. The project has been concluded and an action plan produced; the project will be handed over to the Companies and Intellectual Property Commission (CIPC).

Formalisation workshops were conducted in all provinces, reaching more than 4 000 artists directly and over six million indirectly through TV or radio interviews and media releases to promote the programme and educate the industry regarding business registration, intellectual property rights and available incentives. Local artists in the areas visited were given the opportunity to showcase their talents.

**the dti** entered into a MOA with the Congress of Traditional Leaders of South Africa (Contralesa) to improve access to rural communities. Rollout workshops were conducted in all provinces, reaching 35 038 people directly and more than three million indirectly during the 2013/14 financial year. Fifty fieldworkers were recruited and deployed in rural communities to facilitate access to government services and the registration of indigenous rights, as recognised in terms of the amendments to the Intellectual Property Laws Amendment Act, as well as assist with the business registration process.

Liquor regulations were developed and published, including the Liquor Amendment Regulations and the Regulations for Protected Event Status and Prohibited Marks for Liquor. **the dti** conducted 1 643 routine inspections and 320 targeted inspections to combat liquor abuse and enforce liquor laws. In addition, the department held awareness campaigns on alcohol abuse, including the Youth Month, Sobriety Week and Festive Season campaigns, which reached 14 110 stakeholders directly. This was coupled with media campaigns that are estimated to have reached more than 65 million people.



**the dti**, in conjunction with WIPO, hosted a training course for the trainers aimed at capacitating delegates on matters of IP.

**the dti** conducted Regulatory Impact Assessment Reports on all policies and Bills tabled or to be tabled in the parliamentary process. These reports show justification if benefits outweigh costs in any regulatory implementations.

More than 160 women were trained in the Corporate Governance Development Programme for Directors, which targets those with the potential to be appointed onto Boards of private and public entities and who are directors in their own businesses. The programme aims to equip these women with the necessary skills to enhance their effectiveness on Boards and similar decision-making structures.

#### **10.1.5 Promote a professional, ethical, dynamic, competitive and customer-focused working environment that ensures effective and efficient service delivery**

The department developed a macro-economic database that has significantly enhanced the quality of work. In the past, the data was purchased from Quantec. In the third quarter of the 2013/14 financial year, the *Economic Trends* report was produced internally for the first time.

Once again, in collaboration with Brand SA and Proudly South African, **the dti** hosted the Second Annual South African Premier Business Awards in March 2014. Interest in these awards is high and it is envisaged that in the new financial year more businesses will participate. The *Big Break Legacy* television show was successfully screened and **the dti** episodes on exports were recorded in London and the Netherlands. Judges from **the dti** were featured in these episodes. The department hosted the International Co-operatives Alliance Congress, Small Business and BEE summits and participation was high.

During the reporting period, **the dti** ensured that all eligible creditors were paid well within 30 days, as prescribed by legislation.

Support to the public entities was strengthened and shareholder compacts were produced and signed by both the Accounting Authorities and the Minister.

## **10.2 Service Delivery Improvement Plan**

### **10.2.1 Main services and standards**

Main services	Beneficiaries	Current/actual standard of service	Desired standard of service	Actual achievement
Provide financial assistance (incentives) to promote and develop SMMEs, exports and investment	SMMEs, co-operatives and South African exporters	All completed applications and claims approved or paid within 60 working days	All completed applications and claims approved or paid within 60 working days	All completed applications and claims approved within an average 39 days
Issuing of manufacturers and/or distributors of liquor licences	Prospective NLA registrants  Current NLA registrants	80% of completed applications approved within 90 days of receipt	80% of completed applications approved within 60 days of receipt	79% (403 of 513) of completed applications were approved within 60 days of receipt

**10.2.2 Batho Pele arrangements with beneficiaries (consultation access etc.)**

Current/actual arrangements	Desired arrangements	Actual achievements
Consultation with beneficiaries through outreach programmes and community awareness workshops	Consult clients on the level of service standards expected	The service standards were developed and are awaiting the consultation process. This will be undertaken during the 2014/15 financial year.

**10.2.3 Service delivery information tool**

Current/actual information tools	Desired information tools	Actual achievements
Publicise the services offered by the dti	Distribution of information booklets, usage of website as well as print and electronic media	Booklets distributed, information posted on the website, promotions done through newspapers, television and radio stations.

**10.2.4 Complaints mechanism**

Current/actual complaints mechanism	Desired complaints mechanism	Actual achievements
Have a dedicated employee to deal with complaints	Develop a complaints handling strategy and deploy dedicated resource	Complaint handling strategy not yet in place, but complaints are being recorded and addressed timeously.

**10.3 Organisational environment**

The department reviewed its organisational structure based on its strategic focus and created a number of positions to augment its existing capacity. In its quest to attract and retain the right quality and number of committed officials, the department has to date filled 452 positions, of which 123 (27.2%) represented internal promotions. The majority of the 329 appointments, representing 44% of positions filled, were filled with staff additional to the establishment to accommodate urgent business needs, while consulting with the DPSA on the creation of new posts. This diversion of resources to focus on the filling of posts additional to the establishment has resulted in the vacancy rate reduction target being negligible. The current vacancy rate stands at 9.4% and the rate at which the department replaces staff or fills vacant posts is favourable at 124%.

Critical positions were filled during the period under review and include two Deputy Directors-General for Industrial Development: Policy Development and Industrial Development: Incentive Administration. The vacancy rate is continuously monitored through targeted interventions.

The cumulative turnover stands at 6.8% in respect of permanent employees, translating into a retention rate of 93.2%. The current turnover allows for a healthy progression and growth through promotions and appointment. The main reasons for staff attrition are career opportunities followed by remuneration, which is in line with global trends.

Furthermore, the department has in its effort to ensure sustainability of the recruitment efforts, implemented a retention policy. To date, 48 chief directorates and directorates across the eight divisions have retention plans in place that identify various interventions to retain staff. Eighteen employees were retained during the year under

review, with 33.3% relating to scarce skills and another 44.4% to critical skills. Valued skills accounted for 22.2% of the number of officials retained.

**the dti** has developed and is implementing the Human Resource Development Strategy to close the vocational skills gap and ensure growth and development at organisational as well as individual level. The strategy focuses on functional, leadership and generic skills. An ESEC Human Resource Development Forum has been initiated and established to further impact on closing the skills gap in the Economic Sector and Employment Cluster (ESEC). A learnership programme was implemented and **the dti** has already reaped its fruits through the contract employment of all the learners. The internship and internal and external bursary programmes are still held in high esteem, as is evident from the volume of applications received. **the dti** has 156 employees who have bursaries amounting to R1,336,440.86 and 22 external bursaries totalling R2,403,021.70 for the financial year.

Great strides have been made to appoint women in senior management positions and their representation stands at 44%, exceeding the annual target of 43.8%.

To equip female officials with applied leadership skills, three women in leadership positions in the private sector were identified and requested to engage and share their experiences with some of **the dti**'s female colleagues. A group of 43, representing nine senior managers and 34 middle managers, participated in this programme. This was a resounding success, as some of the women then shared their experiences at the Women's Day event held in August 2013.

The appointment of people with disability is an area that needs closer attention as a negative trend has been noted. The current rate of representation stands at 2.7%, against the annual target of 2.9%.

An employee engagement survey was conducted, culminating in the development of a set of new values. To this end, Rea aga ("We are building") focuses on living the values through projects such as the improvement of day-to-day relationships (quality relationships), knowledge and information management (intellectual excellence) and revamping entrances (operational excellence). Implementation plans were put in place in all divisions and will be carried out over the medium-term.

Approval was granted to implement the high-level organisational structure that will lead to improved delivery in areas of research, legislative drafting, and monitoring and evaluation. The process of filling the posts was undertaken during quarters three and four of the financial year, thus the impact will be felt fully in the next financial year and assist in meeting the demands and extended scope of work placed on **the dti**.

## 10.4 Key policy developments and legislative changes

A number of policies were developed and/or revised during the period under review. These include the following:

- The Legal Metrology Bill, which has been adopted by both Houses of Parliament and is expected to be assented to by the President and become law once published in the *Government Gazette*. It aims to promote fair trade, industrialisation and enhanced protection for both the environmental and public health and safety.

- The Mineral and Petroleum Resources Development Amendment Bill, which is administered by the Department of Mineral Resources, was adopted by the National Assembly in March 2014. Unfortunately, the key recommendations by **the dti** (including the developmental pricing for local beneficiation) were not included in the final Bill.
- The NT published Instruction Notes for public procurement designation for cables in May 2013, SWH in 19 July 2013, and valves products and actuators in February 2014.
- The B-BBEE Amendment Act of 2013, which provides for the establishment of the BEE Commission that will oversee, supervise and promote adherence with the B-BBEE Act in the interest of the public. It aims to strengthen and foster collaboration between the public and private sectors to promote and safeguard the objectives of B-BBEE.
- The Co-operatives Amendment Act 2013 was assented to by the President and provides for the Co-operative Development Agency (CDA), with its primary role being to provide support with the development and capacity building of co-operatives as well as the Co-operatives Tribunal to look at resolving disputes.
- The SEZ Bill was passed by Parliament and is awaiting assent by the President and promulgation in the *Government Gazette*. It provides an integrated framework for the planning, development and management of SEZs, and thus an improved policy framework for promoting direct investments in selected key regions. This Bill will enable the creation of new industrial hubs and bring previously marginalised regions into the mainstream of the national economy.
- The Lotteries Amendment Act was assented to by the President in December 2013 and aims to improve the framework for the distribution of funds, streamline processes, enhance accountability and details measures to deal with conflict of interest, and provide for both application-based and proactive funding.
- The National Credit Amendment Bill was adopted by both Houses of Parliament, but is still to be assented to by the President. The Bill empowers the Chief Executive Officer (CEO) of the NCR to delegate certain functions and de-register registrants should they contravene conditions. The other critical aspect is the removal of adverse credit information of creditors, which will be effected through the development and publication of regulations.
- Furthermore, the Intellectual Property Amendment Bill for the Protection of Traditional Knowledge was approved by Parliament and assented to by the President.

## 11. Performance Information by Programme

### 11.1 Programme 1: Administration

- (a) **Purpose:** Provide strategic leadership to the department and its entities, to ensure the successful implementation of the department's mandate through sustainable and integrated resource solutions and services that are customer-driven, including research on industrial development, economic policy, growth and equity.

(b) **Description of Sub-Programmes:**

- (i) **The Ministry** provides leadership and policy direction to **the dti**;
- (ii) **The Office of the Director-General** (ODG) provides overall management of **the dti**'s resources;
- (iii) **Corporate Services** provides customer-centric and integrated resource solutions in human resource management, ICT, legal services and facilities management;
- (iv) **Office Accommodation** is an allocation for accommodation services to **the dti** regional offices and ensures continued maintenance service;
- (v) **Financial Management** provides support to **the dti**, with respect to financial resource allocation and the management thereof, to aid the fulfilment of the department's goals and objectives;
- (vi) **Communication** facilitates greater awareness of the department's role and increases the uptake of its products and services through improvement of the customer touch points and ensuring strong customer relationship management; and creates consumer awareness and educational campaigns to ensure a meaningful understanding of the department's offerings; and
- (vii) **Media Relations and Public Relations** ensures that the department's image is visible by improving media relations management and public relations activities.

**(c) Outputs, performance indicators, planned targets and actual achievements**

SG: To create a professional, competitive and customer-focused environment that ensures effective and efficient service delivery						
Output	Performance Measure/ Indicator	Baseline (2012/13)	Actual Performance against Target		Deviation from planned target	Comment on variance
			Target	Actual		
Annual Adjusted HR Plan	Percentage (%) of vacancy rate	8%	7%	9.4%	(2.4%)	Variance due to 50 new posts created since 1 April 2013 and a decrease in the ratio of appointments (128) versus promotions (110) and 103 terminations Corrective actions include deadlines for filling posts and closer monitoring of vacancies
	Percentage (%) of staff turnover (unexpected)	6%	7%	6.8%	0.2%	Favourable variance due to higher retention rate
	Percentage (%) of people with disability employed	2.8%	2.9%	2.7%	(0.2%)	Unfavourable variance due to fewer applications received from people with disability Corrective actions include identification of posts to be targeted for people with disability in divisions that do not meet the target and apply targeted recruitment Get signed-off disability targets for all divisions Drive to encourage staff to disclose their status Identification of disability organisations for a database to use for recruitment purposes
	Percentage (%) of women employed in senior management positions	43%	43.8%	44%	0.2%	Favourable due to Executive Board (ExBo) decision to compel divisions that did not meet the 50% percentage target of women at SMS to apply targeted recruitment Chairperson of Transformation Committee to advise the Director-General on the appointments of senior managers

SG: To create a professional, competitive and customer-focused environment that ensures effective and efficient service delivery						
Output	Performance Measure/ Indicator	Baseline (2012/13)	Actual Performance against Target		Deviation from planned target	Comment on variance
			Target	Actual		
Creditors' payments made in accordance with legislative requirements	Eligible creditors' payments processed within legal timeframes	All eligible creditors' payments made within 30 days	All eligible creditors' payments made within 30 days	Payments to all eligible creditors made well within 30 days	(98% of 35 485 invoice payments processed within 14 days. Remainder processed within 30 days.)	Achievement follows as a result of improved business processes in respect of payment administration, e.g. the tracking through the CFO Help desk and voluntary overtime being performed by staff  Invoices according to orders issued are also being followed up with suppliers and divisions to expedite payments
Service Delivery Improvement Plan (SDIP)	SDIP implemented	2012-15 SDIP finalised and approved by Minister	Report produced on implementation of SDIP 2012-2015	Implementation report for 2012/13 financial year against the 2012-2015 SDIP has been approved and submitted to DPSA	None	None
Public-awareness platforms and events	Number of programme-focused publications	18	12	59 publications	47	Additional ad-hoc missions or programme-specific publications requested
	Number of multimedia awareness campaigns	16	14	27 multimedia campaigns delivered	13	Increased partnership campaigns and new programme launches
	Number of events, outreach engagements and exhibitions	132	20 events	44	24	Targeted number exceeded due to additional requests and sector-specific road-shows
			40 outreach engagements	76	36	Influx of invitations and requests from internal and external stakeholders
			20 exhibitions	77	57	Increased number of identified opportunities and platforms to showcase the dti's services

**(d) Strategy to overcome areas of underperformance**

Additional targeted strategies regarding the filling of vacancies with people with disabilities will be implemented. The vacancy rate will be closely monitored and actively managed.

**(e) Changes to planned targets**

No changes to the planned targets were made during the financial year.

**(f) Linking performance with budgets**

Expenditure decreased by 0.71%, from R705 million in 2012/13 to R700 million in 2013/14. This is largely as a result of on-going engagements with the Department of Public Works on planned projects for office accommodation. There has also been savings in certain areas as a result of the cost containment measures e.g. air travel.

**(g) Sub-programme expenditure**

Sub- Programme Name	2013/14			2012/13		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Ministry	43 050	40 773	2 277	37 593	36 845	748
Office of the Director-General	81 032	69 727	11 305	61 615	59 578	2 037
Corporate Services	427 913	425 949	1 964	403 056	401 565	1 491
Financial Management	47 097	46 361	736	120 891	120 727	164
Media Relations and Public Relations	14 089	7 764	6 325	6 274	6 049	225
Communications	110 958	109 796	1 162	78 787	78 485	302
Office Accommodation	0	0	0	2 177	2 177	0
<b>TOTAL</b>	<b>724 139</b>	<b>700 370</b>	<b>23 769</b>	<b>710 393</b>	<b>705 426</b>	<b>4 967</b>



## 11.2 Programme 2: International Trade and Economic Development (ITED)

(a) **Purpose:** Build an equitable global trading system that facilitates development, by strengthening trade and investment links with key economies and fostering African development, including through regional and continental integration and development co-operation in line with the New Partnership for Africa's Development (NEPAD) initiative.

### (b) Description of Sub-Programmes

- (i) **International Trade Development** facilitates bilateral and multilateral trade relations and agreements. The sub-programme makes transfers to: the Organisation for the Prohibition of Chemical Weapons, as the South African contribution to the Chemical Weapons Convention; ProTechnik Laboratories, as the South African contribution to international non-proliferation treaties and regimes; and the World Trade Organisation (WTO), as the South African membership fee to this global organisation dealing with rules of trade between countries; and
- (ii) **African Economic Development** facilitates bilateral and multilateral African trade relations aimed at deepening regional integration. The sub-programme makes a transfer payment to the Development Bank of Southern Africa (DBSA) for regional spatial development initiatives aimed at accelerating sustainable socio-economic development.

### (c) Outputs, performance indicators, planned targets and actual achievements

SG: Build mutually beneficial regional and global relations to advance South Africa's trade, industrial policy and economic development						
Output	Performance Measure/ Indicator	Baseline (2012/13)	Actual Performance against Target		Deviation from planned target	Comment on variance
			Target	Actual		
Trade negotiations concluded EPA with the EU, SACU India PTA, SADC-EAC-COMESA FTA (T-FTA)	Status report on negotiations aimed at enhancing preferential market access	Report prepared on EPA, SACU-India PTA and T-FTA negotiations	Status report produced on progress towards conclusion of trade negotiations	Status reports produced on progress	None	None
Africa regional development programme implemented	Progress reports on five priority development areas in SACU, SADC FTA, SDI infrastructure projects	Reports prepared on: - SACU 5 point plan - SADC FTA - SDI infrastructure projects	Progress report produced on implementation of agreed work programme and projects for priority development areas in SACU, SADC FTA, SDI infrastructure projects	Progress reports produced	None	None

**(d) Strategy to overcome areas of underperformance**

There were no areas of underperformance.

**(e) Changes to planned targets**

There were no changes to planned targets.

**(f) Linking performance with budgets**

The division had a revised budget of R146,3 million; 21.7% was utilised for transfer payments to international bodies for South Africa's membership fees (WTO and the Organisation for the Protection of Chemical Weapons) as well as to support the work done by the Regional Spatial Development Programme at the Development Bank of Southern Africa. 54.6% of the budget was for compensation of employees and 18% comprised expenditure on goods and services.

**(g) Sub-programme expenditure**

Sub-Programme Name	2013/14			2012/13		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
International Trade Development	95 948	94 913	1 035	82 081	81 897	184
African Economic Development	50 391	44 653	5 738	51 035	50 808	227
<b>TOTAL</b>	<b>146 339</b>	<b>139 566</b>	<b>6 773</b>	<b>133 116</b>	<b>132 705</b>	<b>411</b>

### 11.3 Programme 3: Broadening Participation

- (a) **Purpose:** Lead the development of policies and strategies that create an enabling environment for SMMEs, and enhance the competitiveness of local and provincial economies, to achieve inclusive shared equity, growth and job creation.

(b) **Description of Sub-Programmes**

- (i) **Enterprise Development** creates an enabling environment conducive to the development and growth of SMMEs and co-operative enterprises, and provides a broad range of business development support services. The sub-programme makes transfer payments to **seda**, which provides non-financial business development and support services for small enterprises;
- (ii) **Equity and Empowerment** promotes B-BBEE and women empowerment. Transfer payments are made to organisations that support entrepreneurial empowerment and transformation, such as the Isivande Women's Fund, which provides affordable finance to all sectors of the economy with particular emphasis on rural enterprises; and the South African Women Entrepreneurs' Network (SAWEN), which supports women entrepreneurship by developing networking facilities; and
- (iii) **Regional Economic Development** promotes spatially balanced economic development and productivity improvements, by crafting policies, strategies and programmes that focus on underdeveloped regions. The sub-programme makes transfer payments to the University of Johannesburg: Capacity Building Programme for Economic Development.

The sub-programme also makes transfers to the National Research Foundation's Technology and Human Resources for Industry programmes (THRIP), which supports research and technology development by strengthening the number and skills of appropriately trained people; Productivity South Africa's Workplace Challenge programme, which finances and supports world-class manufacturing and value-chain efficiency improvements in South African companies; the IDC's Support Programme for Industrial Innovation (SPII), which enables private sector enterprises to develop new products and services; **seda's** Technology Programme (**stp**), which finances and supports early, seed and start-up technology ventures aimed at increasing South Africa's competitiveness; and the Centre for Entrepreneurship, which combines technical graduate training and entrepreneurship in the higher education curricula, thus empowering emerging entrepreneurs and unemployed graduates.

**(c) Outputs, performance indicators, planned targets and actual achievements**

SG: Facilitate broad-based economic participation through targeted interventions to achieve more inclusive growth						
Output	Performance Measure/ Indicator	Baseline (2012/13)	Actual Performance against Target		Deviation from planned target	Comment on variance
			Target	Actual		
Increased growth in SMMEs and co-operatives	Implementation of the <b>seda</b> technology programme ( <b>stp</b> )	R153m	R119m disbursed	R123m disbursed	R4m	The variance is owing to the fact that during the adjustment period, there was a virement of R4million from the Incentive Development and Administration Programme to the Broadening Participation Programme, for supporting some projects
		Monitoring and performance reports produced	Monitoring and performance reports produced	Monitoring and performance reports were produced	N/A	N/A
	Number of new incubators established through <b>stp</b>	8	4	4	Nil	N/A
	Number of established incubators supported through <b>stp</b>	Nil	42	42	Nil	N/A
	Number of SMMEs created through <b>stp</b>	1 514 Target not reported on	284 new SMMEs created	432	148	Construction and agriculture incubators created many more enterprises than anticipated
Implementation of the <b>stp</b>	Number of SMMEs approved for assistance by <b>seda</b>	376	908 SMMEs supported (incubation Quality and Technology Transfer)	1587	679	Construction and agriculture incubators created more jobs
Implementation of the Co-operatives Act, as amended	Approved business case for establishing Co-operatives Development Agency	Nil	Approval of business case for the establishment of the Co-operatives Development Agency	Business case approved by Minister, NT and DPSA  A phased-in implementation has been initiated by developing a draft staff migration plan and organisational structure	N/A	N/A
Implementation of the Co-operative Act, as amended	Approved business case for establishing the Co-operative Tribunal	Nil	Approval of Business case for the establishment of the Co-operative Tribunal	Business case approved by Minister, NT and DPSA. Phased-in implementation has commenced and a draft structure in place.	N/A	N/A

SG: Facilitate broad-based economic participation through targeted interventions to achieve more inclusive growth						
Output	Performance Measure/ Indicator	Baseline (2012/13)	Actual Performance against Target		Deviation from planned target	Comment on variance
			Target	Actual		
Implemented the National Strategic Framework on Gender and Women Empowerment	Revised Draft National Strategic Framework on Gender and Women empowerment	The National Strategic Framework on Women's Economic Empowerment was approved by ExBo	Revised draft National Strategic Framework on Gender and Women Empowerment	Revised draft National Strategic Framework on Gender and Women Empowerment	None	None
The Isivande Women's Fund (IWF) implemented	Number of new projects approved for IWF	22	18 new projects approved	16	2	Weak quality of applications during the last quarter and client withdrawal post approval
Implemented B-BBEE Amendment Act and revised B-BBEE Codes of Good Practice	Approved B-BBEE Amendment Act	The B-BBEE Bill was approved by Cabinet and introduced to Parliament  Public hearings were conducted	Approved B-BBEE Amendment Act	B-BBEE Amendment Bill assented to by the President	N/A	N/A
Implemented B-BBEE Amendment Act and revised B-BBEE Codes of Good Practice	Codes of Good Practice for B-BBEE approved	The Revised Codes of Good Practice were gazetted for 60 days to allow for the public commentary process 550 comments were received and analysed A total of 35 consultations with key stakeholders were conducted	Approved revised B-BBEE Codes of Good Practice	The B-BBEE Codes of Good Practice approved by the Minister and published for implementation in 2015	N/A	N/A
Finalisation and implementation of Informal Sector Strategy	Finalised and approved Informal Sector Strategy piloted and implemented	Draft Informal Sector Strategy developed	Finalise and approve the Informal Sector Strategy	The National Informal Business Upliftment Strategy (NIBUS) was adopted by Cabinet and launched by Minister in March 2014	Cabinet endorsed the strategy and its launch	The launch was held earlier than anticipated
Finalisation and implementation of YEDS	Finalise and approve YEDS	YEDS finalised and supported by ExBo	Finalise and approve YEDS	YEDS approved and launched by the Minister in November 2013	None	None
Supported companies through the Workplace Challenge Programme	Number of new contracts with new companies participating	83	40	322	282	Additional funding of R5 million was sourced to enhance the programme

SG: Facilitate broad-based economic participation through targeted interventions to achieve more inclusive growth						
Output	Performance Measure/ Indicator	Baseline (2012/13)	Actual Performance against Target		Deviation from planned target	Comment on variance
			Target	Actual		
Supported Human Capacity via the Technology and Human Resources for Industry Programme (THRIP)	Number of students supported under THRIP funding	1 506 students approved for support	1 350 students supported under THRIP funding	1 548	198	The participation by students was enhanced through effective marketing of the programme
	Number of researchers approved for THRIP funding	1 135 researchers approved for financial support	700	1 047	347	The participation by students was enhanced through effective marketing of the programme
Supported Industrial Innovation via the Support Programme for Industrial Innovation (SPII)	Number of new approved projects	53 new projects approved	20 new approved projects	31	11	Stagnant projects were cancelled to free up funds to support new projects
	Value of new approved projects	Total value of support R203.5m	R43m	R75.9m	R32.9m	Stagnant projects were cancelled to free up funds for support to new projects

**(d) Strategy to overcome areas of underperformance**

The division intends to conduct an impact review of the Isivande Women's Fund (IWF) to establish reasons for the underperformance and to determine the revised future model and structure of the fund to attain maximum outputs and impact.

**(e) Changes to planned targets**

A review of the performance information targets committed to in **the dti's** Annual Performance Plan (APP) 2013–2016 was conducted during the mid-year period to ascertain whether the annual performance targets were consistent with the approval process of the public entities' business cases as set out by DPSA and NT requirements. Secondly, the review aimed at ensuring consistency between the targets stipulated on the programme implementing the public entity's business plans and **the dti** APP. All the changes were approved by the Minister.

The following performance indicators were added:

- Number of new incubators established through **stp**;
- Number of established incubators supported through **stp**;
- Number of SMMEs created through **stp**; and
- Number of SMMEs approved for assistance by **seda**.

Based on the review, it was noted that the time-frames set out on **the dti** APP in relation to the approval of the Co-operatives Development Agency and Tribunal are largely dependent on the Interdepartmental Assessment Committee (NT and DPSA). The respective performance indicators relating to this were amended as follows:

- Approved business case for establishing Co-operatives Development Agency;
- Approved business case for establishing the Co-operatives Tribunal;
- The baseline for the indicator on the IWF was amended from 29 to 22;
- Lastly, it was considered that the National Strategic Framework on Gender and Women Empowerment would require further time given the volume and magnitude of the Economic Cluster queries and proposals for enhancement on the strategy. Therefore, the target was amended as follows: Revised Draft National Strategic Framework on Gender and Women empowerment. However, the performance indicator was not amended accordingly and should rather read as Revised Draft National Strategic Framework on Gender and Women empowerment. The latter performance indicator is reported on in this document.

**(f) Linking performance with budgets**

The division had total expenditure of R1 billion; 89% was utilised for transfer payments: to **seda** for implementation of the **stp** and Co-operatives Amendment Act; to support companies through the Workplace Challenge Programme; to support industrial innovation via the SPII; and to support human capacity via THRIP as well as the University of Johannesburg. 6.9% of the budget was for compensation of employees and 2.6% comprised expenditure on goods and services.

**(g) Sub-programme expenditure**

	2013/2014			2012/2013		
Sub- Programme Name	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Enterprise Development	924 475	922 404	2 071	469 493	468 250	1 243
Equity and Empowerment	38 115	35 095	3 020	34 222	32 900	1 322
Regional Economic Development	43 692	42 334	1 358	436 604	428 543	8 061
<b>TOTAL</b>	<b>1 006 282</b>	<b>999 833</b>	<b>6 449</b>	<b>940 319</b>	<b>929 693</b>	<b>10 626</b>

**11.4 Programme 4: Industrial Development: Policy Development**

**(a) Purpose:** Designs and implements policies, strategies and programmes for the development of manufacturing and related sectors of the economy; and contributes to the direct and indirect creation of decent jobs, value-addition and competitiveness, in both domestic and export markets.

**(b) Description of Sub-Programmes**

- (i) **Industrial Competitiveness** develops policies, strategies and programmes to strengthen the ability of manufacturing, and other value-added sectors, to create decent jobs and increase value-addition and competitiveness in domestic and export markets, as set out in the annual three-year rolling IPAP. The sub programme makes transfer payments to: the South African Bureau of Standards (SABS); the National Metrology Institute of South Africa (NMISA); the National Regulator for Compulsory Specifications (NRCS); and the South African National Accreditation System (SANAS); and
- (ii) **Customised Sector Programme** develops and implements high-impact sector strategies focused on manufacturing and other value-added sectors to create decent jobs and increase value-addition and competitiveness in domestic and export markets, as set out in the annual three-year rolling IPAP. This sub-programme makes transfer payments to: the IDC: Clothing and Textiles Production Incentive and the IDC's Customised Sector Programmes; the Council for Scientific and Industrial Research's (CSIR) Aerospace Industry Programme, its National Cleaner Production Centre and National Foundry Technology Network; the Intsimbi National Tooling Initiative; and the Centurion Aerospace Village.



**(c) Outputs, performance indicators, planned targets and actual achievements**

SG: Facilitate transformation of the economy, to promote industrial development, investment, competitiveness and employment creation						
Output	Performance Measure/ Indicator	Baseline (2012/13)	Actual Performance against Target		Deviation from planned target	Comment on variance
			Target	Actual		
Annual rolling Industrial Policy Action Plan (IPAP) aimed at facilitating a process of structural change involving upgrading and diversification to achieve sustained growth and job creation	New iteration of IPAP tabled in Cabinet annually for approval	IPAP approved by Cabinet on 28 March 2012 and launched on 2 April 2012; Implementation progress monitored through regular internal implementation meetings led by Minister	Annual Rolling IPAP tabled in Cabinet for approval	New iteration of the annual rolling IPAP 2013/14- 2015/16 approved by Cabinet in March 2013 Additionally, IPAP 2013/14- 2015/16 was successfully launched on 4 April 2013	Tabling was done earlier in March 2013 instead of April	This was due to the document being finalised ahead of schedule
	Number of quarterly reports on IPAP tabled at ministers review meetings	0	4	4 implementation reports tabled at IPAP Review Meeting in June 2013, September 2013, November 2013 and February 2014 Additionally, IPAP Annual Report prepared and approved by DG and Minister	None	None
Develop sector-specific action plans to influence and respond to changing economic environment to enhance manufacturing potential of the economy	Number of sector-specific action plans development	0	3 sector-specific action plans developed	4 sector-specific action plans developed 1. Nuclear localisation and industrialisation strategy and Action Plan 2. Yellow Metal strategy and Action Plan 3. Music Strategy and Action Plan 4. TV Strategy and Action Plan	1	Additional effort by responsible sector desks resulted in some work being achieved ahead of time TV strategy draft was deliberated on and approved during the first round of submission
	Number of research projects undertaken to facilitate development of responsive interventions to expand value-added activities in existing and new sectors of the economy including beneficiation	0	2 key research projects undertaken	4 key research projects undertaken 1. Wind Energy Localisation roadmap 2. Development of a Ports Industry Promotion Strategy 3. SAA wide body fleet procurement process 4. Beneficiation in key value chains in a selected group of minerals	2	The wind localisation roadmap was completed ahead of schedule

SG: Facilitate transformation of the economy, to promote industrial development, investment, competitiveness and employment creation						
Output	Performance Measure/ Indicator	Baseline (2012/13)	Actual Performance against Target		Deviation from planned target	Comment on variance
			Target	Actual		
Instruments rolled out to facilitate strategic use of public procurement to enhance local productive capabilities	Number of templates submitted to National Treasury for designation of sectors or sub-sectors	Sector/sub-sectors designation templates completed and submitted to the NT	2	Five designation Reports completed and submitted.	Research by sector desks revealed the possibility to designate more than what was planned  The upgrading of electricity metering systems by Municipalities from prepaid to SMART meters meant a wave of procurement which presented an opportunity for local content designation prior to the programmes commencing	None
Deepen regional industrial development within Africa	Number of key initiatives proposed by SA at multi-lateral level to strengthen regional industrial development	0	Two key initiatives proposed by SA	Two key initiatives to promote regional industrial development were proposed by South Africa: SACU - Lesotho Suppliers Development Programme Mozambique regional development programme in the Forestry Sector and South Africa Small-Holder Supplier Programme for Lesotho	None	None
Tool-making apprentice programme	Number of students enrolled in tool-making apprentice programme	0	385	1 022 students enrolled in tool-making apprentice programme	635	The programme was expanded and extra financial resources received from the National Skills Fund (NSF) and DBSA Jobs Fund
Industrial skills upgrading programme	Number of workers trained through the industrial upgrading programme	0	220	400 workers trained through the industrial skills upgrading programme	180	Companies released more workers for training due to higher demand

**(d) Strategy to overcome areas of underperformance**

There were no areas of underperformance.

**(e) Changes to planned targets**

There were no changes to planned targets.

**(f) Linking performance with budgets**

The division had total expenditure of R1 575 million; 93% was utilised for transfer payments to Intsimbi: National Tooling Initiative for Tool-making Apprentice Programme and Industrial Skills Upgrading Programme; National Metrology Institute of South Africa; National Regulatory for Compulsory Specifications; South African National Accreditation System; IDC for the administration of clothing and textile incentives and Customer Sector Programme as well as the South African Bureau of Standards. 5.3% of the budget was for compensation of employees and 1% comprised expenditure on goods and services.

**(g) Sub-programme expenditure**

Sub-Programme Name	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Industrial Competitive-ness	580 886	577 196	3 690	502 207	501 996	211
Customised Sector Programme	1 009 567	998 390	11 177	1 006 018	1 003 094	2 924
<b>TOTAL</b>	<b>1 590 453</b>	<b>1 575 586</b>	<b>14 867</b>	<b>1 508 225</b>	<b>1 505 090</b>	<b>3 135</b>

## 11.5 Programme 5: Consumer and Corporate Regulation

- (a) **Purpose:** to develop and implement coherent, predictable and transparent regulatory solutions that facilitates easy access to redress and efficient regulation for economic citizens.

(b) **Description of Sub-Programmes**

- (i) **Policy and Legislative Development** develops regulatory solutions, including ongoing legislative reviews;
- (ii) **Enforcement and Compliance** provides the public and private sector with policy reviews and briefings on trends analysis, impact assessments, market surveys and the effectiveness of regulatory agencies voluntary compliance; and
- (iii) **Regulatory Services** monitors and funds a number of regulatory agencies: the National Gambling Board (NGB), which provides a regulatory framework for gambling practices and monitors the socio-economic effects of gambling on citizens; the National Consumer Tribunal (NCT), which adjudicates on credit and consumer matters to ensure equity in the credit market, and balances the rights and responsibilities of credit providers and consumers; the National Credit Regulator (NCR), which regulates the consumer credit industry to improve consumer protection in the end-user credit market, provides effective debt counselling and review mechanisms; the NCC, which ensures well-functioning markets that are fair, competitive and responsible to consumers; the CIPC, which deals with registration of companies, adherence to financial standards, provision of business-rescue interventions and enforcement in cases of non-compliance; the National Lotteries Board, which regulates the lotteries regime and facilitates the distribution of lottery funds for good cause and development purposes; the Companies and Intellectual Property Tribunal (CIPT), which adjudicates matters arising in terms of the Companies Act, 2008 (Act No. 71 of 2008); the Takeover Regulation Panel and Financial Reporting Standards Council, which was established following the Companies Act, 2008 (Act No. 71 of 2008) and is responsible for regulating affected transactions and the issuance of standards; and the WIPO, which facilitates a South African contribution to an international regime for intellectual properties.

**(c) Outputs, performance indicators, planned targets and actual achievements**

SG: Create a fair regulatory environment that enables investment, trade and enterprise development in an equitable and socially responsible manner						
Output	Performance Measure/ Indicator	Baseline (2012/13)	Actual Performance against Target		Deviation from planned target	Comment on variance
			Target	Actual		
Impact assessment of regulation on business and economic citizens	Number of Regulatory Impact Assessment (RIA) reports produced	4 RIA reports produced (NCA; BRR; IP; Licensing of Business Bill)	2 RIA reports produced with recommended actions for approval on Liquor and Gambling	Liquor: RIA was finalised to incorporate the new policy  Gambling : A draft RIA report was produced	One	Although the RIA on Gambling was produced, it is awaiting the finalisation of Gambling Policy
Policies, Bills and Regulations to enforce fair business practices	Number of policies developed	5 draft policies developed for approval (Intellectual Property, Licensing of Business Act, Lotteries Act, Business Reform Registration and National Credit Act)	2 policies developed for approval on IP Policy and Gambling Act	3 Policies developed for approval (Gambling Act, Liquor and IP)	One	Liquor Policy fast-tracked due to the Department of Health's Bill on Liquor advertising, resulting in a need for alignment
	Number of draft Bills developed	3 Bills developed for approval (Licensing of Business Act; Business Reform Registration and Lotteries)	4 Bills developed for approval on NCA, Lotteries, Liquor and Business Act	4 Bills developed for approval: NCA Amendment Bill to be assented by President Lotteries Amendment Bill assented. Licensing of Business Bill done and referred back for consultation and establishment of Task Team by Minister Liquor Amendment Bill developed, however not approved yet	None	None
	Number of Regulations developed	5 Regulations developed for publication (NCA; Liquor; IP; Gambling and Business Act)	2 Regulations developed for publication	CHAN 2014 Liquor Regulations developed and published Liquor Amendment Regulations developed and published Regulations for Protected Event status and Prohibited Marks (liquor) developed and published Labeling of Meat Regulations developed and published	2	South Africa was requested to host CHAN as a follow-up to AFCON 2013; which required specific regulations to be developed although they were not in the plans. The regulations on the removal of the adverse credit information were issued as per instruction of Cabinet

**(d) Strategy to overcome areas of underperformance**

The division has performed according to plan, but did not complete some activities: recruitment and deployment of additional fieldworkers did not take place due to a shortage of funds; the IP Bill was not finalised due to prolonged public consultations and comments that had to be incorporated; and the Gambling Policy was not finalised due to the fact that a decision was taken to develop it internally, which had an impact on the Gambling RIA. These activities will be finalised in the 2014/15 financial year as a macro structure has been put in place to enable officials to meet the targets.

**(e) Changes to planned targets**

There were no changes to planned targets.

**(f) Linking performance with budgets**

The programme's revised budget was R258.1 million; 72% was utilised on transfers to Regulatory Agencies and 28% on achievements including the National Credit Amendment Act, Lotteries Bill and Licensing of Business Bill, Gambling Act and Intellectual Property Policies, Regulations on Companies Act and Credit Amnesty.

**(g) Sub-programme expenditure**

Sub- Programme Name	2013/2014			2012/2013		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Policy and Legislative Development	19 619	19 206	413	15 660	14 421	1 239
Enforcement and Compliance	23 250	23 156	94	15 967	14 458	1 509
Regulatory Services	215 277	214 336	941	199 214	194 689	4 525
<b>TOTAL</b>	<b>258 146</b>	<b>256 698</b>	<b>1 448</b>	<b>230 841</b>	<b>223 568</b>	<b>7 273</b>

## 11.6 Programme 6: Industrial Development: Incentive Administration

(a) **Purpose:** To stimulate and facilitate the development of sustainable, competitive enterprises through the efficient provision of effective and accessible incentive measures that support national priorities.

(b) **Description of Sub-Programmes**

- (i) **Broadening Participation** provides incentive programmes that promote broader participation in the mainstream economy of businesses owned by individuals from historically disadvantaged communities and marginalised regions. The Black Business Supplier Development Programme (BBSDP), Co-operatives Incentives Scheme (CIS) and Incubation Support Programme (ISP) form part of this sub-programme.
- (ii) **Manufacturing Investment Incentives** promote additional investment in the manufacturing sector. Incentive programmes include: the Manufacturing Investment Programme (MIP) within the Enterprise Investment Programme (EIP); the Automotive Investment Scheme (AIS); the People-Carrier Automotive Investment Scheme (P-AIS); Aquaculture Development and Enhancement Programme (ADEP); and the 12I Tax Allowance Incentive.
- (iii) **Services Investment Incentives** provide incentives that promote increased investment and growth in the services sectors. Incentive programmes include the Business Process Services (BPS), previously known as the Business Process Outsourcing (BPO) programme; the Film and Television Production Incentive; and the Enterprise Investment Programme (EIP).
- (iv) **Infrastructure Development Support** leverages investments to the South African economy by providing infrastructure critical to industrial development, thus increasing exports of value-added commodities and creating employment opportunities. Incentive programmes include the Critical Infrastructure Programme (CIP), the IDZ programme and the SEZs.
- (v) **Product and Systems Development** aims to develop, review, monitor and evaluate incentive programmes to support the NIPP and its action plan as well as sector strategies to address identified failures.
- (vi) **Business Development and After Care** facilitates access to targeted enterprises by reviewing incentive schemes for their impact and the lessons learned for improving old schemes or developing new ones.



**(c) Outputs, performance indicators, planned targets and actual achievements**

Output	Performance Measure/ Indicator	Baseline (2012/13)	Actual Performance against Target		Deviation from planned target	Comment on variance
			Target	Actual		
Finalisation and implementation of the SEZ Act	SEZ Policy and Bill submitted for approval by Cabinet and regulations gazetted	New indicator	SEZ policy and Bill approved by Cabinet and endorsed by Parliament	SEZ Policy was adopted by Cabinet in 2013. The Bill was passed by National Assembly in March 2014 and referred to the President to assent to	None	None
Automotive Incentive Scheme (AIS) and 12I tax allowance implemented	Number of enterprises approved for incentives	AIS: 28	25	36	11	Positive trend in the number of component manufacturer applications submitted in support of the Mercedes Benz project
		12I: 12	10	13	3	Due to pro-active marketing efforts, more than expected applications were received
	Value of projected investments from projects approved	AIS: R1.8bn	AIS: R1.6bn	R8.4bn	R6.8bn	The high valued investment of the Mercedes Benz project of R 5.4bn resulted in the target being exceeded
		12I: R10.2bn	12I: R10bn	R9.2bn	(R0.8bn)	Investment per application has shown a slight downward trend due to current economic conditions
	Number of new jobs projected from projects approved	12I: 939	12I: 2 200	2 681	481	Two of the approved projects were more labour intensive than the others, therefore direct jobs to be created were higher than the expected number of jobs to be created
		AIS: 1 357	AIS: 550	AIS: 1 121	571	Positive trend in projected jobs due to the Mercedes Benz project and component manufacturers
People Carrier Automotive Investment (P-AIS) implemented	Number of enterprises approved for incentive	0	5	2	(3)	Targets were based on initial research done for the introduction of the P-AIS, based on information from industry  Actual take-up was lower than expected

Output	Performance Measure/ Indicator	Baseline (2012/13)	Actual Performance against Target		Deviation from planned target	Comment on variance
			Target	Actual		
	Value of projected investments for projects approved	0	R500m	R112m	(R388m)	Targets were based on initial research done for the introduction of the P-AIS, based on information from industry Actual take up was lower than expected
Critical infrastructure programme (CIP) implemented	Number of projects evaluated and approved for incentives	6	12	8	(4)	Although the number of projects was not met, the CIP is investment driven and the investment has been exceeded
	Number of projected jobs from approved projects	4 941	4000	4 262	262	The approved projects are in labour intensive sectors
	Value of projected investment from approved projects	R9.8bn	R6bn	R10bn	R4bn	The projects supported are in sectors with high value of investment
Business Process Services (BPS), Film and TV Production incentives implemented	Number of BPS projects approved to be supported	12	8 BPS projects approved	9 BPS projects approved	1	The incentive closure on the 31 March 2014, led to an increase in the number of applications submitted This culminated in increased approvals
	Number of Film and TV productions to be supported	70	65 film productions approved	83 film productions approved	18	Due to the rand dollar exchange rate, South Africa is regarded as the best location for Foreign Productions The introduction of Foreign Post Production attracted more foreign productions to be made in South Africa
	Value of projected investments from projects approved: BPS	R1.3bn	R400m	R541.4m	R141.4m	Higher valued services with higher investment

Output	Performance Measure/ Indicator	Baseline (2012/13)	Actual Performance against Target		Deviation from planned target	Comment on variance
			Target	Actual		
	Value of projected investments from projects approved: Film	R2.5bn	R1.8bn	R2.0bn	R200m	Weaker rand to dollar rates made South Africa a lucrative location, which resulted in an increase in post production
	Number of new jobs projected from projects approved: BPS	3 936	3 000	2 514	(486)	Higher valued services result in lower number of jobs, however more sustainable jobs
Export Marketing and Investment Assistance (EMIA) implemented	Number of enterprises approved to participate in the EMIA scheme	1 082	940	1 835 (*1 017 EMIA) (* 792 SASS) (*26 CPFP)	895	Continuous re-design of the EMIA programme supported by creative action plans to improve access by the emerging sector resulted in improved access by HDIs and SMMEs; constructive engagement with key players in the capital goods and services sector stimulated capital projects development in over 15 countries on the African continent in support of the objectives of the New Partnership for Africa's Development
Manufacturing Competitiveness Enhancement Programme (MCEP) implemented	Number of enterprises approved for incentives under production incentive	189	300	365	65	Targeted engagements with key stakeholders to provide interpretation of guidelines as well as benefits to be derived from accessing the MCEP scheme resulted in an increased appetite for MCEP
	Projected number of jobs retained from approved enterprises	New target	25 000 <sup>1</sup> projected jobs retained from approved enterprises	106 559	104 039	The explanation provided to key stakeholders about the additional 10% bonus grant if projects created additional jobs; encouraged a number of projects in the labour-intensive industries such as agro-processing, to participate in the facility. This resulted in increased jobs to be sustained per the approved projects

<sup>1</sup> The target was erroneously captured as 25 000 instead of 2 500

Output	Performance Measure/ Indicator	Baseline (2012/13)	Actual Performance against Target		Deviation from planned target	Comment on variance
			Target	Actual		
The Enterprise Investment Programme (EIP) implemented – Manufacturing Investment Programme (MIP), Aquaculture Development and Enhancement Programme (ADEP)	Number of projects approved	548	EIP-MIP: 235	EIP-MIP: 374	139	Anticipated impact with the introduction of MCEP was that EIP applications for expansions will reduce
		0	EIP-ADEP: 10	EIP-ADEP: 20	10	Vigorous marketing undertaken in the Western Cape, which is the epicentre of fisheries, contributed to positive trends
	Value of projects from projects approved	R 10.8bn	EIP-MIP: R3.5bn	MIP: R10bn	R6.5bn	Anticipated impact with the introduction of MCEP was that EIP applications for expansions will reduce
		0	EIP-ADEP R75m	EIP-ADEP: R404m	R329m	Vigorous marketing undertaken in the Western Cape, which is the epicentre of fisheries, contributed to positive trends
	Number of new jobs projected from projects approved	12 269	EIP-MIP: 4 200	EIP-MIP: 11 734	7 534	Anticipated impact with the introduction of MCEP was that EIP applications for expansions will reduce
		0	EIP-ADEP: 200	EIP-ADEP: 574	374	Vigorous marketing undertaken in the Western Cape, which is the epicentre of fisheries, contributed to positive trends
Co-operative Incentive Scheme (CIS) programme implemented	Number of enterprises approved for CIS	314	375	243	(132)	Rand commitment on approved projects aligned to budget available, which determines the number of projects that may be approved
BBSDP programme implemented	Number of enterprises approved for BBSDP	1 212	1 560	1 066	(494)	Rand commitment on approved projects aligned to budget available, which determines the number of projects that may be approved
New Incubation Support Programme (ISP) implemented	Number of incubators for incentive	0	50	28	(22)	Targets were based on initial research at the introduction of ISP by industry, which indicated a higher number of applications anticipated

**(d) Strategy to overcome areas of underperformance**

At the point of the introduction of the P-AIS and ISP incentive schemes, targets were set on initial research by industry. The trends during the 2013/14 financial year will provide a sound baseline for forthcoming projected targets.

The uptake of BPS and 12I will be assisted by embarking on more aggressive marketing campaigns.

**(e) Changes to planned targets**

The removal of two targets under the output ISP implemented were approved by the Minister. Reason for removal relates to measurability limitations:

- Number of jobs projected for approved projects; and
- Value of projected investments for projects approved.

There was a misprint on the annual target relating to the MCEP programme of 25 000, which should correctly read as 2 500.

In the Annual Performance Plan 2013/14–2015/16, the performance indicator for the Film and TV production incentives was erroneously duplicated. As per the report in matrix 11.6(c), the department has reported against the actual planned target of 65 films. It has been corrected in this Annual Report.

The performance indicator for MCEP on the projected number of jobs retained from approved enterprises and indicators for EIP: MIP and ADEP on the number of and value of projects approved with new jobs projected were included in the Annual Performance Plan 2013/14–2015/16 under the Broadening Participation programme, whereas they were planned indicators under the Programme: Industrial Development Incentives.

**(f) Linking performance with budgets**

The division had total expenditure of R5 361 billion; 96.6% was utilised for transfer payments to IDZs, e.g. Coega, East London and Richard Bay IDZ; SEZs; manufacturing incentives, e.g. EIP, AIS and MCEP; services sector development incentive, e.g. Film and TV incentives; broadening participation incentives programme, e.g. CIS and BBSDP; as well as critical infrastructure production. 2.3% of the budget was for Compensation of Employees and 0.7 % comprised expenditure on goods and services.

**(g) Sub-programme expenditure**

	2013/14			2012/13		
Sub-Programme Name	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Broadening Participation Incentives	389 687	388 746	941	210 426	209 853	573
Manufacturing Investment Incentives	3 415 388	3 338 623	76 765	2 990 121	2 954 768	35 353
Services Investment Incentives	564 732	564 364	368	427 402	427 026	376
Infrastructure Development Support	1 039 583	1 038 639	944	896 788	896 376	412
Product and System Development	13 234	13 000	234	12 717	12 701	16
Business Development After Care	18 096	17 920	176	13 902	13 827	75
<b>TOTAL</b>	<b>5 440 720</b>	<b>5 361 292</b>	<b>79 428</b>	<b>4 551 356</b>	<b>4 514 551</b>	<b>36 805</b>

**11.7 Programme 7: Trade and Investment South Africa (TISA)**

**(a) Purpose:** To increase export capacity and support direct investment flows, through targeted strategies and an effectively managed network of foreign trade offices.

**(b) Description of Sub-Programmes**

- (i) **Investment Promotion and Facilitation** facilitates the increase in the quality and quantity of foreign and domestic direct investment by providing recruitment, problem solving and information services. The sub-programme is also responsible for organising the Africa Dialogue, an annual international investment conference, as well as for the promotion of outward investment.
- (ii) **Export Development and Promotion** promotes exports of South African value-added goods and services to increase market share in targeted high-growth markets, and to sustain market share in traditional markets. The sub-programme also administers the export market and investment assistance incentives and manages the NEDP, which aims to expand exports and improve Government and private sector interaction.
- (iii) **International Operations** promotes trade and investment, and manages the department's 32 foreign representatives in 45 countries. Key activities include engagements with potential investors.

**(c) Outputs, performance indicators, planned targets and actual achievements**

Output	Performance Measure/ Indicator	Baseline (2012/13)	Actual Performance against Target		Deviation from planned target	Comment on variance
			Target	Actual		
Increased manufactured exports under EMIA	Value of increase in exports	R 3.88bn	R900m	R3.4bn	R2.5bn	Variance is due to high export sales from projects in new high-growth markets
Investment facilitation in targeted sectors	Value of investment pipeline	R 53.5bn	R50bn	R60.5bn	R10.5bn	Large Renewable Energy Projects have reached financial closure in terms of the REIPPP

**(d) Strategy to overcome areas of under performance**

There were no areas of under-performance.

**(e) Changes to planned targets**

No changes were made to planned targets.

**(f) Linking performance with budgets**

The division had total expenditure of R347 million; 29.3% was utilised for transfer payments to the Export Credit Insurance Corporation, Proudly South African Campaign, International Bank for Reconstruction and Development and the International Finance Corporation. 42.5% of the budget was for compensation of employees and 27.5 % comprised expenditure on goods and services, mainly from foreign missions.

**(g) Sub-programme expenditure**

Sub- Programme Name	2013/14			2012/13		
	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Investment Promotion and Facilitation	64 450	62 658	1 792	55 466	55 100	366
Export Development and Promotion	135 839	135 729	110	86 794	85 961	833
International Operation	149 212	148 564	648	134 576	134 334	242
<b>TOTAL</b>	<b>349 501</b>	<b>346 951</b>	<b>2 550</b>	<b>276 836</b>	<b>275 395</b>	<b>1 441</b>

## 12. Transfer Payments

### 12.1 Transfer payments to public entities

The amount spent by the entity and the achievements will be provided in the Annual Reports to be tabled by the respective entities.

Name of Public Entity	Services rendered by the public entity	Amount transferred to the public entity R'000	Amount spent by the public entity	Achievements of the public entity
Small Enterprise Development Agency (seda)	Implement small enterprise development support service and products through a national integrated service delivery network, in order to improve the contribution of small enterprises to the economy, employment and equity	R648 666	To be reported in Annual Report of this entity	To be reported in Annual Report of this entity
National Empowerment Fund (NEF)	Promote savings and investments among Historically Disadvantaged Persons (HDPs) through its retail activities, and fund economic empowerment and black business through its investments division	Nil	To be reported in Annual Report of this entity	To be reported in Annual Report of this entity
National Gambling Board (NGB)	Provide advice on the national gambling industry, and promote uniform norms and standards across provinces	R27 717	To be reported in Annual Report of this entity	To be reported in Annual Report of this entity
National Lotteries Board (NLB)	Exercise national control over lottery activities	Nil	To be reported in Annual Report of this entity	To be reported in Annual Report of this entity
National Metrology Institute of South Africa	Support global competitiveness through the provision of fit-for purpose international acceptable measurement standards and measurements	R145 942	To be reported in Annual Report of this entity	To be reported in Annual Report of this entity
South African National Accreditation System (SANAS)	Provide an accreditation system for laboratories, certification, inspection and Good Laboratory Practice (GLP). Establish laboratory, personnel, and certification body in South Africa, as well as mutual recognition agreements with international accreditation organisations	R33 473	To be reported in Annual Report of this entity	To be reported in Annual Report of this entity
National Credit Regulator (NCR)	Regulate the South African credit industry	R63 691	To be reported in Annual Report of this entity	To be reported in Annual Report of this entity
Companies and Intellectual Property Commission (CIPC)	Registration of Companies, Co-operatives and Intellectual Property Rights (trademarks, patents, designs and copyright) and maintenance thereof	Nil	To be reported in Annual Report of this entity	To be reported in Annual Report of this entity
National Consumer Tribunal (NCT)	Adjudicate a wide variety of applications, and hear cases against credit providers that contravene the Act	R36 099	To be reported in Annual Report of this entity	To be reported in Annual Report of this entity
National Regulator for Compulsory Specifications (NRCS)	Administer compulsory specifications, otherwise known as technical regulations	R103 000	To be reported in Annual Report of this entity	To be reported in Annual Report of this entity



National Consumer Commission (NCC)	The NCC is charged with the responsibility to enforce and carry out the functions assigned to it in terms of the Act which aims to: Promote, protect and advance the social and economic welfare of consumers in South Africa by providing leadership, advocacy and a system of rapid redress thereby creating a fair and accessible consumer marketplace	R44 516	To be reported in Annual Report of this entity	To be reported in Annual Report of this entity
Companies Tribunal	The Companies Tribunal may adjudicate in relation to any application that may be made to it, and make any order as provided for in the Companies Act in respect of such an application, and in addition also serve as a forum for voluntary alternative dispute resolution	R10 337	To be reported in Annual Report of this entity	To be reported in Annual Report of this entity
Export Credit Insurance Corporation of South Africa (ECIC) SOC Limited	Facilitate and encourage South African export trade, by underwriting export credit loans and investments outside South Africa to enable South African contractors to win capital goods and services in other countries	R73 293	To be reported in Annual Report of this entity	To be reported in Annual Report of this entity
South African Bureau of Standards (SABS)	Promote the standardisation and quality management in industry and commerce, and supervising trade metrology and units of measure	R206 443	To be reported in Annual Report of this entity	To be reported in Annual Report of this entity

## 12.2 Transfer payments to all organisations other than public entities

The table below reflects the transfer payments made for the period 1 April 2013 to 31 March 2014. The amount spent by the entity and the reasons for the funds unspent by the entity will be provided in the Annual Reports to be tabled by the respective entities.

Name of transferee	Type of organisation	Purpose for which the funds were used	Did the department comply with section 38 (1) (j) of the PFMA?	Amount transferred (R'000)
National Productivity Institute	Departmental Agency	Workplace Challenge	Yes	R13 651
National Research Foundation	Departmental Agency	Technology and Human Resources for Industry Programme	Yes	R160 635
University of Johannesburg	University	Capability Studies	Yes	R12 830
Centurion Aerospace	Public Corporation	Aerospace	Yes	R15 800
Council for Scientific and Industrial Research	Public Corporation	Fibre and Textile Centre of Excellence, Aerospace Industry support, National Cleaner Production	Yes	R80 534
Development Bank of South Africa	Public Corporation	Regional Spatial Development Initiatives	Yes	R9 303
Industrial Development Corporation	Public Corporation	Customer Sector Programme, Fund for Research into Industrial Development Growth and Equity, Support Programme for Industrial Innovation	Yes	R877 301
INTSIMBI	Public Corporation	National Tooling Initiative	Yes	R54,434
Protechnik Laboratories	Public Corporation	Chemical laboratories	Yes	R4 687
World Trade Organisation	International Organisation	Subscription	N/A	R13 227
Organisation for the Prohibition of Chemical Weapons	International Organisation	Subscription	N/A	R3 642
United Nations Industrial Development Organisation	International Organisation	Subscription	N/A	R5 853
International Bank For Reconstruction and Development	International Organisation	Contribution for reconstruction and Development	N/A	R4 900
International Finance Corporation	International Organisation	Contribution	N/A	R4 900
World Intellectual Property Organisation	International Organisation	Subscription	N/A	R4 215
South African Women Entrepreneurs Network	Non-Profit Institution		Yes	R8 335
Proudly South Africa Campaign	Non-Profit Institution		Yes	R18 550
Council for Geoscience	International Organisation		N/A	R835

No transfer payments were made to provinces and municipalities, according to the Annual Reporting Guidelines issued by NT for the period 1 April 2013 to 31 March 2014.

The table below reflects the transfer payments that were budgeted for in the period 1 April 2013 to 31 March 2014, but no transfer payments were made.

Name of transferee	Purpose for which the funds were to be used	Amount budgeted for (R'000)	Amount transferred (R'000)	Reasons funds were not transferred
IDC Isivande Women Fund	The funds were to be used for the Strategic Framework baseline research to which no funds were allocated.	1 000	-	The funds were to be viremented to fund the research that was critical for the conclusion of the Strategic Framework on Women Empowerment. This could not be concluded in time as it was to be done in Partnership with the University of Pretoria. The research will continue after the agreement has been concluded

### 12.3 Capital investment, maintenance and asset management plan

No capital investments were made directly by the dti.

#### 12.3.1 Maintenance

the dti's 25-year contract with Rainprop (Pty) Ltd as the private party concessionaire responsible for providing fully serviced office accommodation at the dti Campus is continuing. The agreement was implemented in August 2003.

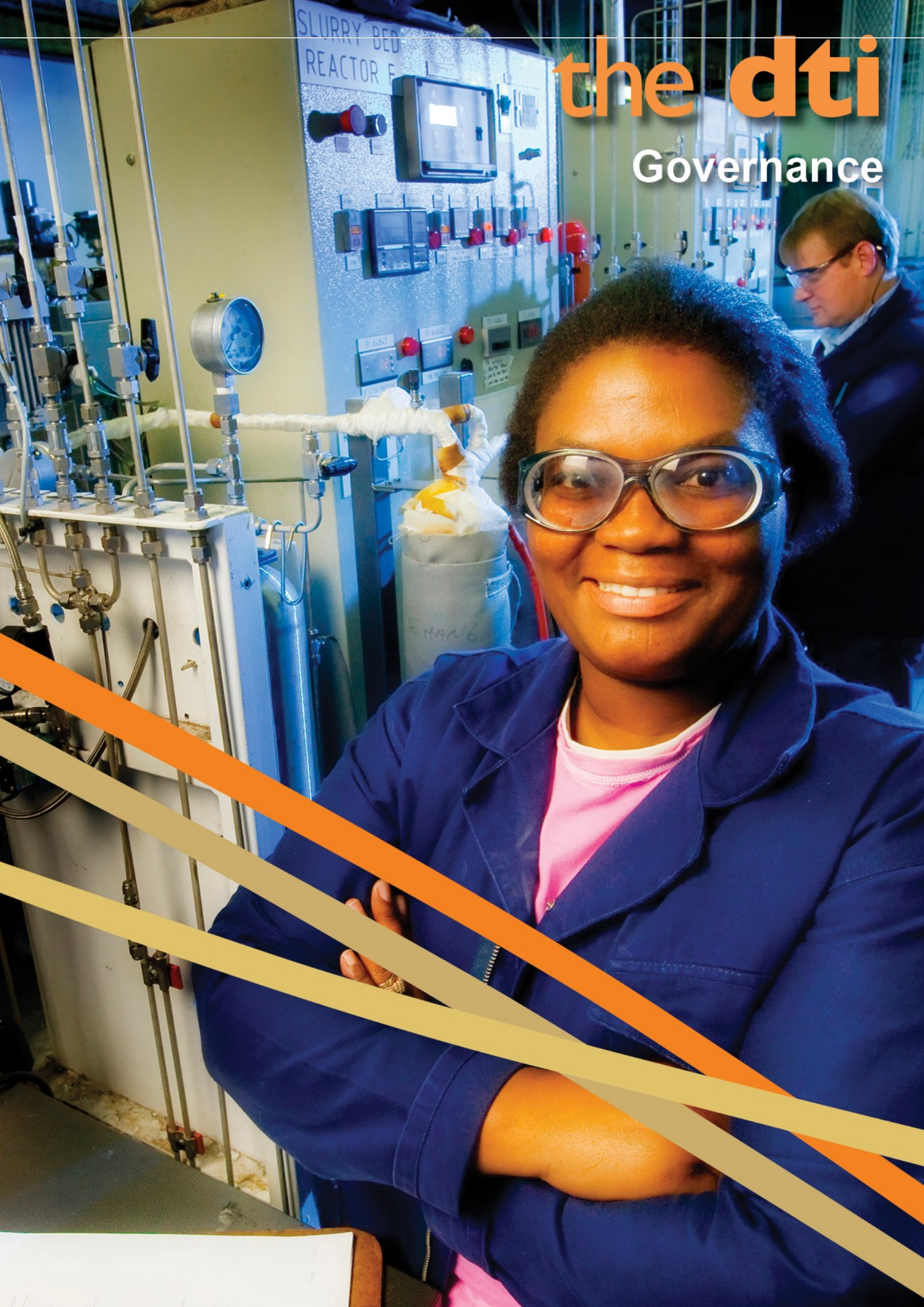
#### 12.3.2 Asset Management

As part of the PPP agreement, the concessionaire will for the duration of the contract period own and maintain assets such as the land, buildings and the majority of furniture items. Departmental assets excluded from this agreement include departmental vehicles, computer equipment and certain furniture items. Departmental assets are managed in accordance with the policies issued by the NT and an asset register is maintained on the LOGIS. The department complied with the minimum requirements of the Asset Management Reforms as issued by NT. An accession register separate to LOGIS is used to record and monitor all library material.



# the dti

## Governance





## 13. Introduction

During the period under review, the department ensured full compliance with the laws, policies and regulations as well as the promotion of good corporate governance principles as contained in the King Report III on Governance. The department continued to maintain key dedicated structures such as the Risk and Compliance Chief Directorate that oversees the risks, ethics awareness, business continuity, compliance, contracts management, environmental risk management, and the fraud management and prevention functions.

The Executive Board (ExBo), which comprises the executive management officials, was operational and met regularly to assist the Accounting Officer to steer the strategic direction of the department. ExBo is supported by various sub-structures, including the Operations Committee (Opscom), which looks at the operations of the department; the Information and Technology Steering Committee, which ensures both compliance with the requirement of Cobit and the Framework for the governance of ICT published by the DPSA; and the Risk Management Committee (RMC), which is chaired by the Group Chief Operating Officer (GCOO) and has an external member, who also serves on the department's Audit Committee (AC), to ensure transparency and objectivity in the discharge of its responsibilities. Two independent representatives from the AC were in attendance at the RMC, whose term of office ended in July 2013. The RMC was then made a management committee and the independent representative who attends the RMC does so in a liaison capacity to the AC. These committees have effectively discharged their respective responsibilities during the year under review.

### 13.1 Risk management

Effective risk management is key to the achievement of identified objectives for any department. The function resides with the Office of the GCOO to ensure that risk management is properly positioned to influence leadership and decision-making at the highest level and protect the department against the materialisation of high risks, as well as to optimise opportunities presented by identified risks.

Risk Management is conducted in accordance with an approved Risk Management Framework, Policy and Strategy, which has been developed in line with the public sector's framework developed by the NT as well as international standards such as the Coso Framework, ISO 31000, Sarbanes-Oxley Act and other best practices.

A formal risk assessment is conducted annually, which includes operational and strategic risks. New and emerging risks are considered at the annual review as well as reviews conducted on a quarterly basis. The risk assessments are aligned to the strategic objectives and priorities of the department.

During the year, the approach to obtaining and vocalising risks was enhanced. Loss events (together with emerging risks) were obtained to aid the department in assessing the likelihood of occurrence and to prevent recurrence of risks and losses.

The RMC advises management on the overall system of risk management, particularly the mitigation of unacceptable levels of risk. ExBo reviews progress on actions to mitigate risks quarterly, and the GCOO reports to the RMC on behalf of ExBo in this regard. Divisional managers are required to report to the RMC on a

quarterly basis on progress in addressing their identified risks. Divisional management also addresses matters of risk at business unit management meetings.

The AC also monitors progress of identified risks through mitigation of audit findings as well as independently monitors the effectiveness of the system of risk management.

### 13.2 Fraud and corruption

In ensuring that fraud is prevented and corruption is combated, **the dti** has adopted and continuously maintains a “zero-tolerance” approach to fraud and corruption. The departmental Fraud Prevention Policy, Strategy and Plan ensures that an anti-fraud environment and culture is promoted both internally and externally. Implementation is conducted in terms of an implementation matrix, and the RMC oversees progress on implementation and effectiveness.

The department approaches fraud and corruption both proactively and reactively. Proactively, the Corporate Governance Directorate is responsible for providing an enabling environment for the disclosure of information relating to possible fraud, corruption or maladministration. This is achieved by putting in place and promoting a Protection of Whistleblowers Policy. Promotion of this message is done throughout the year, both internally to all staff and publicly, during roadshows promoting the work of **the dti**, as part of its “Be Silent No More” campaign.

The Corporate Governance Directorate provides an e-mail-based ethics helpdesk, [Ethics@thedti.gov.za](mailto:Ethics@thedti.gov.za), which is a further mechanism available to both employees and the public to obtain advice and raise an alarm to any suspicious activity.

Reactively, the department has a fully functional Forensic Directorate under the Office of the Chief Audit Executive, whose function is to investigate all reported cases of potential fraud or corruption.

The forensics unit receives cases from the National Anti-Corruption Hotline, as well as directly from staff internally or management. All cases are referenced, and treated formally and with utmost confidentiality. Progress on forensic cases is overseen by the Pre-Risk Management Committee, which includes an external member of the AC, as well as the AC itself, to ensure fairness and objectivity. In instances where investigations lead to recommendations for management action, these recommendations are provided to management and actions are taken. Management is thus held to account by the AC, in line with governance best practice.

### 13.3 Minimising conflict of interest

There is a departmental policy on conflict of interest, and awareness on potential conflicts and how to deal with them are part of the training provided by the Corporate Governance Directorate to all staff. It is standard meeting protocol at all formal departmental meetings for attendees to disclose any conflicts of interest relating to any items on the meeting agendas.

All SMS members have to submit their financial disclosure forms, which are required by the Public Service Commission (PSC), annually on or before 31 May. For three consecutive years, **the dti** has fully complied with this prescript by ensuring that 100% of SMS members submit their disclosure forms.

**the dti** also requires that all employees disclose their financial interests. Staff members are regularly reminded to obtain approval for remunerative work conducted outside the public service. An Ethics Committee assesses all applications to conduct remunerative work outside the public service, as well as the receipt of gifts, to maintain constant vigilance against any real or potential conflicts of interest.

#### **13.4 Code of conduct**

**the dti** has in place an approved Code of Conduct for all employees on which frequent training interventions have been undertaken throughout the year. The functions to ensure proper code of conduct are covered under the Chief Directorate's functions of risk management, conflict of interest and fraud prevention strategies stated above.

#### **13.5 Health, safety and environmental issues**

**the dti** has experienced challenges with the nomination of safety members from the divisions. This has resulted in qualifications lapsing and an extensive training programme is now being undertaken, which 31 officials completed at the end of the past financial year. A further 20 officials have been scheduled for training during 2014/15. Four statutory Occupational Health and Safety (OHS) meetings took place during which matters of health and safety in the office environment were discussed. These were not quorate due to the membership challenges.

**the dti's** ERP is currently under review and will be subjected for the approval by the City of Tshwane.

From an environmental perspective, **the dti** Campus has installed smart metering for electricity consumption and continues to monitor the usage of electricity. A building management system controls the power provision to key utilities. Grey water is used where possible.

There is also a project initiated towards a paperless environment (printing-cost reduction and increased use of technology) as part of **the dti's** Rea Aga project. Recycling and waste separation take place off-site.

OHS inspections were executed at all the regional offices and action plans developed to deal with the findings.

### 13.6 Portfolio committees

**the dti** presented its Budget Vote and Strategic Plan to the portfolio committees (PC) on 10 May 2013, for the 2013/14 financial year as well three quarterly performance reports for the same year. The PC considered the 2013/14 proposed Budget and recommended the following:

- The Minister should consider increasing the budget for the TISA programme to establish and fund a presence in strategic foreign missions;
- The Minister should consider increasing the allocation to the Consumer and Corporate Regulation programme, particularly to the NCC, NCR and the possibility of new agencies being created in the near future;
- The Minister should consider the establishment of a single Board responsible for all technical infrastructure institutions to enhance co-ordination among these institutions;
- The House approves Budget Vote 36 in terms of the Money Bills Amendment Procedure and Related Matters Act (No. 9 of 2009) (the Money Bills Act);
- The recapitalisation of the NEF should be looked at and **the dti** committed that there had been engagements with the NT on the issue;
- Issues about capacitation of the trade missions have been raised – **the dti** responded that it would advertise posts and train officials in those offices;
- Incentives to be looked at, improved and tightened. It was hard to quantify jobs – **the dti** noted the comment;
- Beneficiation was still a concern – a top-level team had been put together to investigate opportunities in beneficiation in five critical value chains. There would be progress;
- Adequate funding for the establishment of the new entities as a result of legislative changes made within the co-operatives, BEE and Indigenous knowledge areas;
- Recapitalisation of the Export Credit and Insurance Corporation (ECIC) and the National Empowerment Fund for these institutions to fulfil their mandates of facilitating the export of trade and cross-border investments between South Africa and the rest of the world, and of broadening black participation in the economy respectively; and
- The committee found that, given the nature of ITED's work, it is difficult to assess whether it used its resources in an efficient manner to meet its objectives and if this spending was effective.

### 13.7 SCOPA resolutions

No financial resolutions were taken by SCOPA on unauthorised expenditure during the reporting period.



### 13.8 Prior modifications to audit reports

Nature of qualification, disclaimer, adverse opinion and matters of non-compliance	Financial year in which it first arose	Progress made in clearing/resolving the matter
<p>Certain goods and services with a transaction value below R500 000 were procured without obtaining the required price quotations, as required by Treasury Regulation (TR) 16A6.1</p> <p>The accounting officer did not take reasonable steps to prevent irregular expenditure, as required by sections 38(1) (c) (ii) of the PFMA</p>	31 March 2010	<p>Regular refresher sessions and training on procurement requirements have been implemented</p> <p>Quarterly memoranda have been issued to DDGs to take appropriate disciplinary actions against officials who incur or permit irregular expenditure</p> <p><b>the dti</b> has made significant progress in reducing irregular expenditure from the prior year to the current year</p>

### 13.9 Internal control

The systems of internal control are designed to provide cost-effective assurance that assets are safeguarded, and that liabilities and working capital are efficiently managed.

In line with the PFMA and the King III Report, which are requirements relating to the public sector, the Internal Audit Unit provides the AC and management with assurance that the internal controls are appropriate and effective. This is achieved by means of an appropriate quarterly reporting process, as well as the identification of corrective actions and suggested enhancements to the controls and processes. A separate Risk Management Committee monitors and oversees the control of risk areas throughout **the dti**.

### 13.10 Internal Audit and Audit Committee

#### 13.10.1 Introduction

The capacity of the Internal Audit Unit was further enhanced to increase its audit coverage in line with identified risks and to perform more specialist audits, such as performance, IT and corporate governance audits. The Internal Audit Unit and appointed consultants are managing identified risks in the Fraud Prevention and Risk Assessment plans and in respect of general corporate governance concerns at **the dti**.

The Internal Audit Unit has been 100% capacitated for the 2013/14 year (29 staff members). Forensic audit services continued to be co-sourced to Grant Thornton Business Advisory Services. The forensic audit capacity, along with the Internal Audit capacity, enabled **the dti** to improve its internal and risk management controls and corporate governance processes. **the dti** Internal Audit Function scored a point 4 (100% compliance) on its MPAT assessment conducted by the Presidency for the 2013/14 financial year.

During 2013/14, the Internal Audit Unit included in its coverage plan the concept of Combined Audits. This entailed, but was not limited to, auditing specific strategic objectives of **the dti**, which encompasses more than one division of the department. The projects chosen that contributed to these strategic objectives were audited from a Compliance, Performance and IT audit perspective, to give an opinion on the overall performance of the project.

An amount of R1.4 million was paid to KPMG for co-sourced audit services during the 2013/14 financial year, while R1.8 million was paid to the forensic consultants for conducting co-sourced forensic investigations.

For the reporting period, the Internal Audit Unit spent an estimated 22 000 direct hours (including in-house forensic investigations) on audit work at **the dti**. A total of 40 internal audit reports and 18 Forensic Audit reports were issued to management and presented to the AC as at the end of March 2014. This amounted to 89% completion of the internal Audit Coverage plan (planned audits) as at 31 March 2014. The remaining five audits (related to year-end financial processes) were still in progress at the time of reporting. These 40 reports included audits on compliance, performance, IT and governance-related areas. The Internal Audit Charter was also subject to its annual review.

### 13.10.2 Key activities and objectives of the Audit Committee

The AC for the 2013/14 financial year comprised four independent, external members until July 2013 whereafter the committee consisted of five independent external members, as well as the Director-General of **the dti**, who is the only internal member. The membership tenure of two members expired in July 2013, and a further three new members joined the AC from October 2013.

The AC is responsible for monitoring the internal control environment of **the dti**, through its oversight of the Internal Audit function, as well as the review of the quarterly management accounts, the annual financial statements, including performance information, the external audit process and oversight of the risk management environment.

Four scheduled AC meetings took place in the period under review.

The table below discloses relevant information on the Audit Committee members.

Name	Qualifications	Internal or external	If internal, position in the department	Date appointed	Date resigned	No. of meetings attended
Mr D Braithwaite (outgoing Chairperson)	CA(SA)	External	n/a	28/05/2007	July 2013	2
Ms P Ndumo	BCOM, MBL	External	n/a	28/05/2007	July 2013	1
Ms V du Preez	MBA, CIA	External	n/a	22/12/2010	n/a	3
Mr D Dharmalingam New chairperson: (October 2013)	CA(SA)	External	n/a	22/12/2010	n/a	4
Mr L October	Masters in Economics LLB	Internal	Director-General	1 January 2011	n/a	3

**New Audit Committee Members**

Name	Qualifications	Internal or external	If internal, position in the department	Date appointed	Date contract ended	No. of meetings attended
Mr S Kajee	MBA, Honours B Compt	External	n/a	31/08/2013	n/a	2
Ms R Van Wyk	CA(SA), MBA	External	n/a	04/09/2013	n/a	2
Mr O Mokgoantle	Honours B Compt, Higher Diploma: Computer Auditing, CISA, CRISC.	External	n/a	03/09/2013	n/a	2



# the dti

## Financial Performance





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## 14. REPORT OF THE AUDIT COMMITTEE

### DRAFT REPORT OF THE AUDIT COMMITTEE TO THE EXECUTIVE AUTHORITY AND PARLIAMENT OF THE REPUBLIC OF SOUTH AFRICA

We are pleased to present our Audit Committee report for the financial year ended 31 March 2014.

#### AUDIT COMMITTEE MEMBERS AND ATTENDANCE

The Audit Committee consists of the members listed hereunder and met at least four times per annum as per its approved terms of reference. Four meetings were held during the current year.

<u>Name of Member</u>	<u>Number of meetings attended</u>
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#### Non-Executive Members

Mr D Braithwaite	(Previous Chairperson)	2/2 (term expired)
Mr D Dharmalingam	(Current Chairperson)	3/4
Ms P Ndumo		1/2 (term expired)
Ms V du Preez		4/4

#### **New Members:**

Ms Rene Van Wyk	(since October 2013)	2/2
Mr Sikkie Kajee	(since October 2013)	2/2
Mr Oupa Mokgoantle	(since October 2013)	2/2

#### **Executive Member**

Mr L October	(Director-General)	3/4
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#### AUDIT COMMITTEE RESPONSIBILITY

The Audit Committee reports that it has complied with its responsibilities arising from section 38(1)(a) of the PFMA and Treasury Regulations 3.1.13.

The Audit Committee also reports that it has appropriate terms of reference as its Audit Committee Charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein.

## EFFECTIVENESS OF INTERNAL CONTROL

The systems of internal control are designed to provide cost-effective assurance that assets are safeguarded and liabilities and working capital efficiently managed.

In line with the PFMA and King 111 Report, requirements relating to public sector internal audit provide the Audit Committee and management with assurance that the internal controls are appropriate and effective. This is achieved by means of an appropriate quarterly reporting process, as well as the identification of corrective actions and suggested enhancements to the controls and processes. A separate Risk Management Committee (RMC) monitors and oversees the control of risk identification throughout **the dti**.

The Audit Committee noted no significant or material non-compliance with prescribed policies and procedures from the various reports of the internal auditors.

Based on the audits conducted and presented at the Audit Committee meeting for the 2013/14 financial year, the Committee concludes that the controls evaluated during those audits were adequate and materially effective for most of the areas tested. We do, however, emphasise that in certain instances controls were found to be partially effective and needed further improvements.

## QUALITY OF MANAGEMENT REPORTS

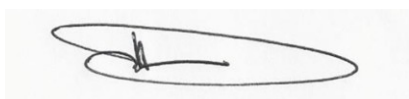
The Audit Committee is satisfied with the content and quality of the quarterly reports prepared and issued by the Accounting Officer and the department during the year under review. Certain improvements to the draft Annual Financial Statements had, however, been recommended to the Office of the Chief Financial Officer.

## EVALUATION OF FINANCIAL STATEMENTS

The Audit Committee has:

- Reviewed the appropriateness of accounting policies and practices;
- Reviewed significant adjustments resulting from the annual audit;
- Reviewed and discussed with the Auditor-General and the Accounting Officer the audited Annual Financial Statements to be included in the Annual Report; and
- Reviewed the Auditor-General's final management letter and audit report and management's response thereto.

The Audit Committee concurs with and accepts the conclusions of the Auditor-General on the Annual Financial Statements.



**D Dharmalingam**

**Chairperson of the Audit Committee**

**31 July 2014**

## **REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON VOTE NO. 36: DEPARTMENT OF TRADE AND INDUSTRY**

### **REPORT ON THE FINANCIAL STATEMENTS**

#### **Introduction**

1. I have audited the Financial Statements of **the dti** set out on pages 107 to 186, which comprise the Appropriation Statement, the Statement of Financial Position as at 31 March 2014, the Statement of Financial Performance, Statement of Changes in Net Assets, and Cash Flow Statement for the year then ended, as well as the notes, comprising a summary of significant accounting policies and other explanatory information.

#### **Accounting Officer's responsibility for the Financial Statements**

2. The Accounting Officer is responsible for the preparation and fair presentation of these Financial Statements in accordance with Modified Cash Standard prescribed by the National Treasury and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA), and for such internal control as the Accounting Officer determines is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

#### **Auditor-General's responsibility**

3. My responsibility is to express an opinion on these Financial Statements based on my audit. I conducted my audit in accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA), the general notice issued in terms thereof and International Standards on Auditing. Those standards require that I comply with ethical requirements, and plan and perform the audit to obtain reasonable assurance about whether the Financial Statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Financial Statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the Financial Statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the Financial Statements.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.



### **Opinion**

6. In my opinion, the Financial Statements present fairly, in all material respects, the financial position of **the dti** as at 31 March 2014 and its financial performance and cash flows for the year then ended, in accordance with Modified Cash Standard prescribed by the National Treasury and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA).

### **Emphasis of matter**

7. I draw attention to the matters below. My opinion is not modified in respect of these matters.

### **Significant uncertainties**

8. With reference to note 20 to the Financial Statements, the department has disclosed contingent liabilities in respect of lawsuits and incentive grants approved by the department but not paid. The department is opposing the lawsuits while the incentive grants are subject to the applicant meeting certain obligations. The ultimate outcome of these matters cannot presently be determined, and accordingly no provision for any liability that may result has been made in the Financial Statements.

### **Restatement of corresponding figures**

9. As disclosed in note 34 to the financial statements, the corresponding figures for 31 March 2013 have been restated as a result of an error discovered during 31 March 2014 in the Financial Statements of **the dti** at, and for the year ended, 31 March 2013.

### **Material impairments and losses**

10. As disclosed in note 7 to the financial statements, material losses to the amount of R72 million was incurred as a result of a write-off of irrecoverable debtors.
11. As disclosed in note 14.5 to the financial statements, a material impairment to the amount of R41 million was incurred as a result of debtors outstanding for longer than 12 months.

### **Additional matters**

12. I draw attention to the matters below. My opinion is not modified in respect of these matters.

### **Unaudited supplementary schedules**

13. The supplementary information set out on pages 187 to 216 does not form part of the Financial Statements and is presented as additional information. I have not audited this schedule and, accordingly, I do not express an opinion thereon.

### **REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

14. In accordance with the PAA and the general notice issued in terms thereof, I report the following findings on the reported performance information against predetermined objectives for selected programmes presented in the annual performance report, non-compliance with legislation as well as internal control. The objective of my tests was to identify reportable findings as described under each subheading but not to gather evidence to express assurance on these matters. Accordingly, I do not express an opinion or conclusion on these matters.

### **Predetermined objectives**

15. I performed procedures to obtain evidence about the usefulness and reliability of the reported performance information for the following selected programmes presented in the annual performance report of the department for the year ended 31 March 2014:
  - Programme 3: Broadening Participation on pages 67 to 72.
  - Programme 6: Industrial Development: Incentive Administration on pages 79 to 85.
16. I evaluated the reported performance information against the overall criteria of usefulness and reliability.
17. I evaluated the usefulness of the reported performance information to determine whether it was presented in accordance with the National Treasury's annual reporting principles and whether the reported performance was consistent with the planned programmes. I further performed tests to determine whether indicators and targets were well-defined, verifiable, specific, measurable, time bound and relevant, as required by the National Treasury's Framework for Managing Programme Performance Information (FMPPI).
18. I assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
19. I did not identify any material findings on the usefulness and reliability of the reported performance information for Programme 3: Broadening Participation and Programme 6: Industrial Development: Incentive Administration.

### **Additional matters**

20. I draw attention to the following matters:

### **Achievement of planned targets**

21. Refer to the annual performance report on pages 61 to 86 for information on the achievement of planned targets for the year.

### **Adjustment of material misstatements**

22. I identified material misstatements in the annual performance report submitted for auditing on the reported performance information of programme 3 and 6. As management subsequently corrected the misstatements, I did not raise any material findings on the usefulness and reliability of the reported performance information.

### **Unaudited supplementary information**

23. The supplementary information set out on pages 187 to 216 does not form part of the annual performance report and is presented as additional information. I have not audited these schedules and, accordingly, I do not express a conclusion thereon.

### **Compliance with legislation**

24. I performed procedures to obtain evidence that the department had complied with applicable legislation regarding financial matters, financial management and other related matters. My findings on material non-compliance with specific matters in key legislation, as set out in the general notice issued in terms of the PAA, are as follows:

### **Expenditure management**

25. Effective steps were not taken to prevent irregular expenditure, as required by section 38(1)(c)(ii) of the Public Finance Management Act and Treasury Regulation 9.1.1.

### **Internal control**

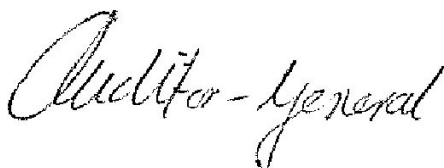
26. I considered internal control relevant to my audit of the financial statements, the annual performance report and compliance with legislation. The matters reported below are limited to the significant internal control deficiencies that resulted in the finding on the annual performance report and the findings on non-compliance with legislation included in this report.

### **Leadership**

27. Leadership did not exercise effective oversight with regard to performance reporting and related internal controls.

### **Financial and performance management**

28. Management did not prepare, in certain instances, an accurate and complete annual performance report that is supported and evidenced by reliable information.
29. Management did not have adequate preventative and detective controls in place to ensure compliance with laws and regulations relating to supply chain management.



Auditor-General

Pretoria

31 July 2014



**AUDITOR - GENERAL**  
**SOUTH AFRICA**

*Auditing to build public confidence*

Appropriation per programme									
APPROPRIATION STATEMENT	2013/14							2012/13	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>1. Administration</b>									
Current payment	715,172	(2,954)	(1,740)	710,478	688,898	21,580	97.0%	592,869	589,873
Transfers and subsidies	2,721	1,225	-	3,946	3,864	82	97.9%	4,099	4,021
Payment for capital assets	8,036	1,151	(50)	9,137	7,082	2,055	77.5%	32,974	31,106
Payment for financial assets	-	578	-	578	526	52	91.0%	80,451	80,426
	<b>725,929</b>	<b>-</b>	<b>(1,790)</b>	<b>724,139</b>	<b>700,370</b>	<b>23,769</b>	<b>96.7%</b>	<b>710,393</b>	<b>705,426</b>
<b>2. International Trade and Economic Development</b>									
Current payment	104,535	(120)	4,701	109,116	107,190	1,926	98.2%	96,843	96,652
Transfers and subsidies	36,583	38	-	36,621	31,777	4,844	86.8%	35,693	35,571
Payment for capital assets	520	82	-	602	599	3	99.5%	580	482
	<b>141,638</b>	<b>-</b>	<b>4,701</b>	<b>146,339</b>	<b>139,566</b>	<b>6,773</b>	<b>95.4%</b>	<b>133,116</b>	<b>132,705</b>
<b>3. Broadening Participation</b>									
Current payment	107,326	(337)	(4,025)	102,964	99,380	3,584	96.5%	91,010	89,362
Transfers and subsidies	901,787	337	-	902,124	899,821	2,303	99.7%	848,025	839,589
Payment for capital assets	1,194	-	-	1,194	632	562	52.9%	1,284	742
	<b>1,010,307</b>	<b>-</b>	<b>(4,025)</b>	<b>1,006,282</b>	<b>999,833</b>	<b>6,449</b>	<b>99.4%</b>	<b>940,319</b>	<b>929,693</b>
<b>4. Industrial Development: Policy Development</b>									
Current payment	116,351	(1,306)	(6,221)	108,824	102,130	6,694	93.8%	94,961	94,914
Transfers and subsidies	1,479,315	1,236	-	1,480,551	1,473,046	7,505	99.5%	1,412,056	1,409,543
Payment for capital assets	1,008	70	-	1,078	410	668	38.0%	1,208	633
	<b>1,596,674</b>	<b>-</b>	<b>(6,221)</b>	<b>1,590,453</b>	<b>1,575,586</b>	<b>14,867</b>	<b>99.1%</b>	<b>1,508,225</b>	<b>1,505,090</b>

Appropriation per programme									
APPROPRIATION STATEMENT	2013/14							2012/13	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>5. Consumer and Corporate Regulation</b>									
Current payment	71,777	(3,756)	1,989	70,010	68,692	1,318	98.1%	49,178	43,050
Transfers and subsidies	183,622	3,151	-	186,773	186,763	10	99.9%	178,177	177,536
Payment for capital assets	758	-	-	758	639	119	84.3%	1,486	1,278
Payment for financial assets	-	605	-	605	604	1	99.8%	2,000	1,704
	<b>256,157</b>	<b>-</b>	<b>1,989</b>	<b>258,146</b>	<b>256,698</b>	<b>1,448</b>	<b>99.4%</b>	<b>230,841</b>	<b>223,568</b>
<b>6. Industrial Development: Incentive Administration</b>									
Current payment	175,308	(395)	(2,414)	172,499	170,021	2,478	98.6%	132,884	132,750
Transfers and subsidies	5,243,326	350	-	5,243,676	5,183,782	59,894	98.9%	4,397,732	4,379,381
Payment for capital assets	24,500	12	-	24,512	7,457	17,055	30.4%	20,740	2,420
Payment for financial assets	-	33	-	33	32	1	97.0%	-	-
	<b>5,443,134</b>	<b>-</b>	<b>(2,414)</b>	<b>5,440,720</b>	<b>5,361,292</b>	<b>79,428</b>	<b>98.5%</b>	<b>4,551,356</b>	<b>4,514,551</b>
<b>7. Trade and Investment South Africa</b>									
Current payment	237,208	(862)	7,710	244,056	243,387	669	99.7%	218,722	218,274
Transfers and subsidies	102,657	105	-	102,762	101,724	1,038	99.0%	53,598	53,287
Payment for capital assets	1,875	755	50	2,680	1,838	842	68.6%	4,514	3,833
Payment for financial assets	1	2	-	3	2	1	66.7%	2	1
	<b>341,741</b>	<b>-</b>	<b>7,760</b>	<b>349,501</b>	<b>346,951</b>	<b>2,550</b>	<b>99.3%</b>	<b>276,836</b>	<b>275,395</b>
<b>TOTAL</b>	<b>9,515,580</b>	<b>-</b>	<b>-</b>	<b>9,515,580</b>	<b>9,380,296</b>	<b>135,284</b>	<b>98.6%</b>	<b>8,351,086</b>	<b>8,286,428</b>

	2013/14			2012/13	
	Final Appropriation R'000	Actual Expenditure R'000		Final Appropriation R'000	Actual Expenditure R'000
<b>TOTAL (brought forward)</b>	<b>9,515,580</b>	<b>9,380,296</b>		<b>8,351,086</b>	<b>8,286,428</b>
<b>Reconciliation with statement of financial performance</b>					
<b>ADD</b>					
Departmental receipts	71,741			135,323	
Aid assistance	65,711			509,379	
<b>Actual amounts per statement of financial performance (total revenue)</b>	<b>9,653,032</b>			<b>8,995,788</b>	
<b>ADD</b>					
Aid assistance		67,704			80,265
<b>Actual amounts per statement of financial performance (total expenditure)</b>		<b>9,448,000</b>			<b>8,366,693</b>

Appropriation per economic classification									
2013/14							2012/13		
Economic Classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>									
Compensation of employees	818,272	(18,344)	(789)	799,139	789,346	9,793	98.8%	675,319	671,550
Goods and services	709,405	8,614	789	718,808	690,354	28,454	96.0%	600,656	592,838
Interest and rent on land	-	-	-	-	-	-		492	487
<b>Transfers and subsidies</b>									
Departmental agencies and accounts	1,285,722	3,000	-	1,288,722	1,287,727	995	99.9%	1,128,695	1,127,995
Higher education institutions	12,834	-	-	12,834	12,830	4	99.9%	32,604	32,600
Foreign governments and international organisations	34,538	4,336	-	38,874	37,572	1,302	96.7%	38,040	37,344
Public corporations and private enterprises	6,586,445	(3,336)	-	6,583,109	6,511,248	71,861	98.9%	5,700,401	5,671,754
Non-profit institutions	27,885	-	-	27,885	26,885	1,000	96.4%	23,900	23,900
Households	2,223	1,999	-	4,222	3,955	267	93.7%	5,740	5,334
Gifts and donations	364	443	-	807	559	248	69.3%	-	-
<b>Payment for capital assets</b>									
Machinery and equipment	13,546	2,367	-	15,913	12,041	3,872	75.7%	40,811	36,632
Intangible assets	24,345	(297)	-	24,048	6,615	17,433	27.5%	21,975	3,863
<b>Payment for financial assets</b>	1	1,218	-	1,219	1,164	55	95.5%	82,453	82,131
<b>TOTAL</b>	<b>9,515,580</b>	<b>-</b>	<b>-</b>	<b>9,515,580</b>	<b>9,380,296</b>	<b>135,284</b>	<b>98.6%</b>	<b>8,351,086</b>	<b>8,286,428</b>

NATIONAL DEPARTMENT: TRADE AND INDUSTRY VOTE 36 APPROPRIATION STATEMENT for the year ended 31 March 2014

2013/14								2012/13	
Programme 1 – Administration	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>1.1 Ministry</b>									
Current Payment	37,827	2,638	-	40,465	38,724	1,741	95.7%	36,168	36,167
Transfers and subsidies	-	100	-	100	64	36	64.0%	41	40
Payment for capital assets	2,463	22	-	2,485	1,985	500	79.9%	1,384	638
<b>1.2 Office of the Director-General</b>									
Current payment	79,307	(312)	94	79,089	68,153	10,936	86.2%	59,967	58,346
Transfers and subsidies	680	54	-	734	701	33	95.5%	789	781
Payment for capital assets	663	546	-	1,209	873	336	72.2%	859	451
<b>1.3 Corporate Services</b>									
Current payment	422,161	(1,212)	-	420,949	419,507	1,442	99.7%	371,328	369,957
Transfers and subsidies	2,028	775	-	2,803	2,797	6	99.8%	2,960	2,951
Payment for capital assets	3,724	437	-	4,161	3,645	516	87.6%	28,749	28,639
Payment for financial assets	-	-	-	-	-	-	-	19	18
<b>1.4 Office Accommodation</b>									
Current payment	-	-	-	-	-	-	-	2,177	2,177



NATIONAL DEPARTMENT: TRADE AND INDUSTRY VOTE 36 APPROPRIATION STATEMENT for the year ended 31 March 2014

2013/14								2012/13	
Programme 1 – Administration	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>1.5 Financial Management</b>									
Current payment	64,947	(6,600)	(12,240)	46,107	45,638	469	99.0%	39,332	39,329
Transfers and subsidies	13	16	-	29	26	3	89.7%	36	35
Payment for capital assets	433	-	(50)	383	171	212	44.6%	1,091	955
Payment for financial assets	-	578	-	578	526	52	91.0%	80,432	80,408
<b>1.6 Media and Public Relations</b>									
Current payment	13,969	(100)	-	13,869	7,641	6,228	55.1%	5,994	5,994
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	120	100	-	220	123	97	55.9%	280	55
<b>1.7 Communications</b>									
Current payment	96,961	2,632	10,406	109,999	109,235	764	99.3%	77,903	77,903
Transfers and subsidies	-	280	-	280	276	4	98.6%	273	214
Payment for capital assets	633	46	-	679	285	394	42.0%	611	368
<b>TOTAL</b>	<b>725,929</b>	<b>-</b>	<b>(1,790)</b>	<b>724,139</b>	<b>700,370</b>	<b>23,769</b>	<b>96.7%</b>	<b>710,393</b>	<b>705,426</b>

NATIONAL DEPARTMENT: TRADE AND INDUSTRY VOTE 36 APPROPRIATION STATEMENT for the year ended 31 March 2014

2013/14								2012/13	
Economic Classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>									
Compensation of employees	251,002	(9,224)	(9,577)	232,201	229,899	2,302	99.0%	204,399	203,099
Goods and services	464,170	6,270	7,837	478,277	458,999	19,278	96.0%	387,980	386,288
Interest and rent on land	-	-	-	-	-	-	-	490	486
<b>Transfers and subsidies</b>									
Public corporations and private enterprises	680	-	-	680	650	30	95.6%	650	650
Households	2,041	1,007	-	3,048	3,035	13	99.6%	3,449	3,371
Gifts and donations	-	218	-	218	179	39	82.1%		
<b>Payment for capital assets</b>									
Machinery and equipment	7,221	918	(50)	8,089	6,166	1,923	76.2%	30,213	28,495
Intangible assets	815	233	-	1,048	916	132	87.4%	2,761	2,611
<b>Payment for financial assets</b>	-	578	-	578	526	52	91.0%	80,451	80,426
<b>TOTAL</b>	<b>725,929</b>	<b>-</b>	<b>(1,790)</b>	<b>724,139</b>	<b>700,370</b>	<b>23,769</b>	<b>96.7%</b>	<b>710,393</b>	<b>705,426</b>

NATIONAL DEPARTMENT: TRADE AND INDUSTRY VOTE 36 APPROPRIATION STATEMENT for the year ended 31 March 2014

2013/14								2012/13	
Programme 2 – International Trade and Economic Development	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>2.1 International Trade Development</b>									
Current payment	70,190	(2,837)	4,701	72,054	71,898	156	99.8%	64,429	64,428
Transfers and subsidies	19,930	3,362	-	23,292	22,416	876	96.2%	17,072	16,987
Payment for capital assets	520	82	-	602	599	3	99.5%	580	482
<b>2.2 African Economic Development</b>									
Current payment	34,345	2,717	-	37,062	35,292	1,770	95.2%	32,414	32,224
Transfers and subsidies	16,653	(3,324)	-	13,329	9,361	3,968	70.2%	18,621	18,584
<b>TOTAL</b>	<b>141,638</b>	<b>-</b>	<b>4,701</b>	<b>146,339</b>	<b>139,566</b>	<b>6,773</b>	<b>95.4%</b>	<b>133,116</b>	<b>132,705</b>

NATIONAL DEPARTMENT: TRADE AND INDUSTRY VOTE 36 APPROPRIATION STATEMENT for the year ended 31 March 2014

2013/14								2012/13	
Economic Classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>									
Compensation of employees	75,652	-	4,201	79,853	79,836	17	99.9%	71,996	71,842
Goods and services	28,883	(120)	500	29,263	27,354	1,909	93.5%	24,847	24,810
<b>Transfers and subsidies</b>	-	-	-	-	-	-		-	-
Departmental agencies and accounts	-	-	-	-	-	-		-	-
Foreign governments and international organisations	15,243	3,336	-	18,579	17,705	874	95.3%	13,192	13,145
Public corporations and private enterprises	21,292	(3,336)	-	17,956	13,990	3,966	77.9%	22,330	22,297
Households	48	38	-	86	82	4	95.3%	171	129
<b>Payment for capital assets</b>									
Machinery and equipment	520	82	-	602	599	3	99.5%	580	482
Intangible assets								-	-
<b>TOTAL</b>	<b>141,638</b>	<b>-</b>	<b>4,701</b>	<b>146,339</b>	<b>139,566</b>	<b>6,773</b>	<b>95.4%</b>	<b>133,116</b>	<b>132,705</b>

2013/14								2012/13	
Programme 3 – Broadening Participation	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>3.1 Enterprise Development</b>									
Current payment	50,920	(3,874)	(2,325)	44,721	43,706	1,015	97.7%	26,690	26,284
Transfers and subsidies	879,309	230	-	879,539	878,540	999	99.9%	442,547	441,846
Payment for capital assets	215	-	-	215	158	57	73.5%	256	120
<b>3.2 Equity and Empowerment</b>									
Current payment	29,391	236	(1,700)	27,927	26,483	1,444	94.8%	24,277	23,147
Transfers and subsidies	9,635	6	-	9,641	8,340	1,301	86.5%	9,662	9,547
Payment for capital assets	547	-	-	547	272	275	49.7%	283	206
<b>3.3 Regional Economic Development</b>									
Current payment	27,015	3,301	-	30,316	29,191	1,125	96.3%	40,043	39,931
Transfers and subsidies	12,843	101	-	12,944	12,941	3	99.9%	395,816	388,196
Payment for capital assets	432	-	-	432	202	230	46.8%	745	416
<b>TOTAL</b>	<b>1,010,307</b>	<b>-</b>	<b>(4,025)</b>	<b>1,006,282</b>	<b>999,833</b>	<b>6,449</b>	<b>99.4%</b>	<b>940,319</b>	<b>929,693</b>

NATIONAL DEPARTMENT: TRADE AND INDUSTRY VOTE 36 APPROPRIATION STATEMENT for the year ended 31 March 2014

2013/14								2012/13	
Economic Classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>									
Compensation of employees	74,222	-	(2,800)	71,422	69,741	1,681	97.6%	58,608	57,502
Goods and services	33,104	(337)	(1,225)	31,542	29,641	1,901	94.0%	32,402	31,859
<b>Transfers and subsidies to:</b>									
Departmental agencies and accounts	823,947	-	-	823,947	822,952	995	99.9%	761,970	761,270
Higher education institutions	12,831	-	-	12,831	12,830	1	99.9%	10,001	10,000
Public corporations and private enterprises	56,362	-	-	56,362	55,360	1,002	98.2%	67,349	59,740
Non-profit institutions	8,335	-	-	8,335	8,335	-	100%	7,900	7,900
Households	12	237	-	249	147	102	59.0%	805	679
Gifts and donations	300	100	-	400	196	204	49.0%	-	-
<b>Payment for capital assets</b>									
Machinery and equipment	1,194	-	-	1,194	631	563	52.8%	1,180	641
Intangible assets	-	-	-	-	-	-		104	102
<b>TOTAL</b>	<b>1,010,307</b>	<b>-</b>	<b>(4,025)</b>	<b>1,006,282</b>	<b>999,833</b>	<b>6,449</b>	<b>99.4%</b>	<b>940,319</b>	<b>929,693</b>

2013/14								2012/13	
Programme 4 – Industrial Development: Policy Development	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>4.1 Industrial Competitiveness</b>									
Current payment	40,652	(1,425)	(3,481)	35,746	32,658	3,088	91.4%	28,058	28,045
Transfers and subsidies	543,867	971	-	544,838	544,410	428	99.9%	473,881	473,773
Payment for capital assets	282	20	-	302	128	174	42.4%	268	178
<b>4.2 Customised Sector Programmes</b>									
Current payment	75,699	119	(2,740)	73,078	69,472	3,606	95.1%	66,903	66,869
Transfers and subsidies	935,448	265	-	935,713	928,636	7,077	99.2%	938,175	935,770
Payment for capital assets	726	50	-	776	282	494	36.3%	940	455
<b>TOTAL</b>	<b>1,596,674</b>	<b>-</b>	<b>(6,221)</b>	<b>1,590,453</b>	<b>1,575,586</b>	<b>14,867</b>	<b>99.1%</b>	<b>1,508,225</b>	<b>1,505,090</b>

NATIONAL DEPARTMENT: TRADE AND INDUSTRY VOTE 36 APPROPRIATION STATEMENT for the year ended 31 March 2014

2013/14								2012/13	
Economic Classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>									
Compensation of employees	89,413	-	(1,285)	88,128	84,844	3,284	96.3%	74,728	74,726
Goods and services	26,938	(1,306)	(4,936)	20,696	17,286	3,410	83.5%	20,233	20,189
<b>Transfers and subsidies to:</b>									
Departmental agencies and accounts	282,415	-	-	282,415	282,415	-	100%	192,593	192,593
Higher education institutions	3	-	-	3	-	3	-	22,603	22,600
Foreign governments and international organisations	5,275	1,000	-	6,275	5,853	422	93.3%	4,800	4,789
Public corporations and private enterprises	1,191,572	-	-	1,191,572	1,184,503	7,069	99.4%	1,191,847	1,189,349
Households		104	-	104	95	9	91.3%	213	211
Gifts and donations	50	132	-	182	180	2	98.9%	-	-
<b>Payment for capital assets</b>									
Machinery and equipment	978	70	-	1,048	410	638	39.1%	1,208	633
Intangible assets	30	-	-	30	-	30	-	-	-
<b>TOTAL</b>	<b>1,596,674</b>	<b>-</b>	<b>(6,221)</b>	<b>1,590,453</b>	<b>1,575,586</b>	<b>14,867</b>	<b>99.1%</b>	<b>1,508,225</b>	<b>1,505,090</b>



NATIONAL DEPARTMENT: TRADE AND INDUSTRY VOTE 36 APPROPRIATION STATEMENT for the year ended 31 March 2014

2013/14								2012/13	
Programme 5 – Consumer and Corporate Regulation	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>5.1 Policy and Legislative Development</b>									
Current payment	23,210	(3,629)	-	19,581	19,170	411	97.9%	15,636	14,398
Transfers and subsidies	-	38	-	38	36	2	94.7%	24	23
<b>5.2 Enforcement and Compliance</b>									
Current payment	20,903	263	1,989	23,155	23,062	93	99.6%	15,961	14,453
Transfers and subsidies	42	53	-	95	94	1	98.9%	6	5
<b>5.3 Regulatory Services</b>									
Current payment	27,664	(390)	-	27,274	26,460	814	97.0%	17,581	14,199
Transfers and subsidies	183,580	3,060	-	186,640	186,633	7	99.9%	178,147	177,508
Payment for capital assets	758	-	-	758	639	119	84.3%	1,486	1,278
Payment for financial assets	-	605	-	605	604	1	99.8%	2,000	1,704
<b>TOTAL</b>	<b>256,157</b>	<b>-</b>	<b>1,989</b>	<b>258,146</b>	<b>256,698</b>	<b>1,448</b>	<b>99.4%</b>	<b>230,841</b>	<b>223,568</b>

NATIONAL DEPARTMENT: TRADE AND INDUSTRY VOTE 36 APPROPRIATION STATEMENT for the year ended 31 March 2014

2013/14								2012/13	
Economic Classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>									
Compensation of employees	49,328	(80)	-	49,248	48,697	551	98.9%	31,167	30,021
Goods and services	22,449	(3,676)	1,989	20,762	19,995	767	96.3%	18,011	13,029
<b>Transfers and subsidies to:</b>									
Departmental agencies and accounts	179,360	3,000	-	182,360	182,360	-	100%	174,132	174,132
Foreign governments and international organisations	4,220	-	-	4,220	4,214	6	99.9%	4,000	3,362
Households	42	151	-	193	189	4	97.9%	45	42
<b>Payment for capital assets</b>									
Machinery and equipment	758	-	-	758	639	119	84.3%	1,486	1,278
<b>Payment for financial assets</b>	-	605	-	605	604	1	99.8%	2,000	1,704
<b>TOTAL</b>	<b>256,157</b>	<b>-</b>	<b>1,989</b>	<b>258,146</b>	<b>256,698</b>	<b>1,448</b>	<b>99.4%</b>	<b>230,841</b>	<b>223,568</b>

2013/14								2012/13	
Programme 6 – Industrial Development: Incentive Administration	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>6.1 Broadening Participation Incentives</b>									
Current payment	24,821	262	(2,414)	22,669	21,757	912	96.0%	15,375	15,372
Transfers and subsidies	367,000	18	-	367,018	366,989	29	99.9%	195,021	194,452
Payment for capital assets	-	-	-	-	-	-	-	30	29
<b>6.2 Manufacturing Incentives</b>									
Current payment	94,633	2,934	-	97,567	96,887	680	99.3%	72,651	72,613
Transfers and subsidies	3,238,131	55,190	-	3,293,321	3,234,290	59,031	98.2%	2,896,830	2,879,824
Payment for capital assets	24,500	-	-	24,500	7,446	17,054	30.4%	20,640	2,331
<b>6.3 Service Investment Incentives</b>									
Current payment	8,902	818	-	9,720	9,353	367	96.2%	8,348	8,344
Transfers and subsidies	610,000	(55,000)	-	555,000	555,000	-	100%	419,000	418,628
Payment for capital assets	-	12	-	12	11	1	91.7%	54	54
<b>6.4 Infrastructure Development Support</b>									
Current payment	14,130	(2,832)	-	11,298	11,187	111	99.0%	9,912	9,903
Transfers and subsidies	1,028,195	90	-	1,028,285	1,027,452	833	99.9%	886,876	886,473

NATIONAL DEPARTMENT: TRADE AND INDUSTRY VOTE 36 APPROPRIATION STATEMENT for the year ended 31 March 2014

2013/14								2012/13	
Programme 6 – Industrial Development: Incentive Administration	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>6.5 Product and System Development</b>									
Current payment	13,576	(389)	-	13,187	12,954	233	98.2%	12,701	12,695
Transfers and subsidies	-	47	-	47	46	1	97.9%	-	-
Payment for capital assets	-	-	-	-	-	-	-	16	6
<b>6.6 Business Development and After Care</b>									
Current payment	19,246	(1,188)	-	18,058	17,883	175	99.0%	13,897	13,823
Transfers and subsidies	-	5	-	5	5	-	100%	5	4
Payment for financial assets	-	33	-	33	32	1	97.0%	-	-
<b>TOTAL</b>	<b>5,443,134</b>	<b>-</b>	<b>(2,414)</b>	<b>5,440,720</b>	<b>5,361,292</b>	<b>79,428</b>	<b>98.5%</b>	<b>4,551,356</b>	<b>4,514,551</b>

NATIONAL DEPARTMENT: TRADE AND INDUSTRY VOTE 36 APPROPRIATION STATEMENT for the year ended 31 March 2014

2013/14								2012/13	
Economic Classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>									
Compensation of employees	142,013	(9,040)	(2,414)	130,559	128,634	1,925	98.5%	101,629	101,569
Goods and services	33,295	8,645	-	41,940	41,387	553	98.7%	31,255	31,180
<b>Transfers and subsidies</b>									
Foreign governments and international organisations	-	-	-	-	-	-		3,710	3,710
Public corporations and private enterprises	5,243,246	-	-	5,243,246	5,183,452	59,794	98.9%	4,393,609	4,375,411
Household	80	343	-	423	326	97	77.1%	413	261
Gifts and donations	-	7	-	7	4	3	57.1%	-	-
<b>Payment for capital assets</b>									
Machinery and equipment	1,500	512	-	2,012	1,758	254	87.4%	1,630	1,270
Intangible assets	23,000	(500)	-	22,500	5,699	16,801	25.3%	19,110	1,150
<b>Payment for financial assets</b>	-	33	-	33	32	1	97.0%	-	-
<b>TOTAL</b>	<b>5,443,134</b>	<b>-</b>	<b>(2,414)</b>	<b>5,440,720</b>	<b>5,361,292</b>	<b>79,428</b>	<b>98.5%</b>	<b>4,551,356</b>	<b>4,514,551</b>

2013/14								2012/13	
Programme 7 – Trade and Investment South Africa	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
<b>7.1 Investment Promotion and Facilitation</b>									
Current payment	52,724	(6,237)	(2,756)	43,731	43,718	13	99.9%	38,818	38,689
Transfers and subsidies	19,557	50	-	19,607	18,570	1,037	94.7%	16,003	16,003
Payment for capital assets	1,085	27	-	1,112	370	742	33.3%	645	408
<b>7.2 Export Development and Promotion</b>									
Current payment	54,377	(5,364)	3,341	52,354	52,334	20	99.9%	48,746	48,652
Transfers and subsidies	83,093	55	-	83,148	83,147	1	99.9%	37,279	36,969
Payment for capital assets	337	-	-	337	248	89	73.6%	769	340
<b>7.3 International Operations</b>									
Current payment	130,107	10,739	7,125	147,971	147,335	636	99.6%	131,158	130,933
Transfers and subsidies	7	-	-	7	7	-	100%	316	315
Payment for capital assets	453	728	50	1,231	1,220	11	99.1%	3,100	3,085
Payment for financial assets	1	2	-	3	2	1	66.7%	2	1
<b>TOTAL</b>	<b>341,741</b>	<b>-</b>	<b>7,760</b>	<b>349,501</b>	<b>346,951</b>	<b>2,550</b>	<b>99.3%</b>	<b>276,836</b>	<b>275,395</b>

NATIONAL DEPARTMENT: TRADE AND INDUSTRY VOTE 36 APPROPRIATION STATEMENT for the year ended 31 March 2014

2013/14								2012/13	
Economic Classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>									
Compensation of employees	136,642	-	11,086	147,728	147,695	33	99.9%	132,792	132,791
Goods and services	100,566	(862)	(3,376)	96,328	95,692	636	99.3%	85,928	85,483
Interest and rent on land	-	-	-	-	-	-	-	2	1
<b>Transfers and subsidies</b>									
Foreign governments and international organisations	9,800	-	-	9,800	9,800	-	100%	12,338	12,338
Public corporations and private enterprises	73,293	-	-	73,293	73,293	-	100%	24,616	24,307
Non-profit institutions	19,550	-	-	19,550	18,550	1,000	94.9%	16,000	16,000
Household	-	119	-	119	81	38	68.1%	644	641
Gifts and donations	14	(14)	-	-	-	-	-	-	-
<b>Payment for capital assets</b>									
Machinery and equipment	1,375	785	50	2,210	1,838	372	83.2%	4,514	3,833
Intangible assets	500	(30)	-	470	-	470	-	-	-
<b>Payment for financial assets</b>	1	2	-	3	2	1	66.7%	2	1
<b>TOTAL</b>	<b>341,741</b>	<b>-</b>	<b>7,760</b>	<b>349,501</b>	<b>346,951</b>	<b>2,550</b>	<b>99.3%</b>	<b>276,836</b>	<b>275,395</b>

**1. Detail of transfers and subsidies as per Appropriation Act (after Virement):**

Detail of these transactions can be viewed in note 8 (Transfers and subsidies) and Annexure 1 (A-F) to the Annual Financial Statements.

**2. Detail of specifically and exclusively appropriated amounts voted (after Virement):**

Detail of these transactions can be viewed in note 1 (Annual Appropriation) to the Annual Financial Statements.

**3. Detail on payments for financial assets**

Detail of these transactions per programme can be viewed in note 7 (Financial transactions in assets and liabilities) to the Annual Financial Statements.

**4. Explanations of variances from Amounts Voted (after Virement):**

<b>4.1 Per Programme</b>	<b>Final Appropriation</b>	<b>Actual Expenditure</b>	<b>Variance</b>	<b>Variance as a % of Final Appropriation</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>%</b>
<b>Administration</b>	724,139	700,370	23,769	3%
Under-spending on compensation of employees is due to 47 posts being vacant out of an establishment of 480. In addition, there were delays in the implementation of Resolution 1 of 2012 (re-evaluation of posts). Under-spending on goods and services is as a result of ongoing engagements with the Department of Public Works on planned projects for office accommodation. There has also been savings in certain areas as a result of cost-containment measures, e.g air travel. Computer equipment that could not be procured as planned pending the filling of vacant posts.				
<b>International Trade and Economic Development</b>	146,339	139,566	6,773	5%
Under-spending on compensation of employees is due to nine posts being vacant out of an establishment of 150 posts. Under-spending on goods and services is due to outstanding foreign mission accounts. There has also been savings in certain areas as a result of cost-containment measures, e.g. air travel. Under-spending on transfers and subsidies is due to exchange-rate fluctuations on payments to the WTO and Organisation for the Prohibition of Chemical Weapons.				
<b>Broadening Participation</b>	1,006,282	999,833	6,449	0.6%
The under-spending is below 1%.				
<b>Industrial Development: Policy Development</b>	1,590,453	1,575,586	14,867	0.9%
The under-spending is below 1%.				
<b>Consumer and Corporate Regulation</b>	258,146	256,698	1,448	0.6%
The under-spending is below 1%.				
<b>Industrial Development: Incentive Administration</b>	5,440,720	5,361,292	79,428	1.5%
Under-spending on compensation of employees is due to 18 posts being vacant out of an establishment of 271.				



NATIONAL DEPARTMENT: TRADE AND INDUSTRY VOTE 36 NOTES TO THE APPROPRIATION STATEMENT  
for the year ended 31 March 2014

<p>The under-spending occurred largely on business and advisory consultants as well as venues and facilities, catering and travel due to the implementation of cost-containment measures.</p> <p>Under-spending of R58,6 million under the MCEP is due to the cancellation of projects. These cancellations were due to clients not being able to secure investments to qualify for MCEP incentives.</p> <p>The under-spending of R17 million on payment for capital assets was due to delays in appointing a vendor for the delivery of IEMS.</p>				
<b>Trade and Investment South Africa</b>	349,501	346,951	2,550	0.7%
The under-spending is below 1%.				
<b>TOTAL</b>	<b>9,515,580</b>	<b>9,380,296</b>	<b>135,284</b>	<b>1.4%</b>

<b>4.2 Per Economic classification</b>	<b>Final Appropriation</b>	<b>Actual Expenditure</b>	<b>Variance</b>	<b>Variance as a % of Final Appropriation</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>%</b>
<b>Current payments</b>				
<sup>1</sup> Compensation of employees	799,139	789,346	9,793	1.2%
<sup>2</sup> Goods and services	718,808	690,354	28,454	4.0%
<b>Transfers and subsidies</b>				
Departmental agencies and accounts	1,288,722	1,287,727	995	0.1%
Higher education institutions	12,834	12,830	4	0.1%
<sup>3</sup> Public corporations and private enterprises	6,583,109	6,511,248	71,861	1.1%
<sup>4</sup> Foreign governments and international organisations	38,874	37,572	1,302	3.3%
<sup>5</sup> Non-profit institutions	27,885	26,885	1,000	3.6%
<sup>6</sup> Households	4,222	3,955	267	6.3%
<sup>7</sup> Gifts and donations	807	559	248	30.7%
<b>Payment for capital assets</b>				
<sup>8</sup> Machinery and equipment	15,913	12,041	3,872	24.3%
<sup>9</sup> Software and other intangible assets	24,048	6,615	17,433	72.5%
<sup>10</sup> <b>Payments for financial assets</b>	1,219	1,164	55	4.5%
<b>TOTAL</b>	<b>9,515,580</b>	<b>9,380,296</b>	<b>135,284</b>	<b>1.4%</b>

### Explanation of variances:

<sup>1</sup> **Compensation of employees:** Under-spending on compensation of employees is due to 133 (9.4%) posts being vacant out of an establishment of 1 419 posts as well as the delays in the implementation of Resolution 1 of 2012 (re-evaluation of posts).

<sup>2</sup> **Goods and Services:** Under-spending on goods and services is as a result of ongoing engagements with the Department of Public Works on planned projects for office accommodation. In addition, there was under-spending on business and advisory consultants as well as venues and facilities, catering and travel due to the implementation of cost-containment measures.

<sup>3</sup> **Public corporations and private enterprises:** Under-spending of R58,6 million under the MCEP is due to the cancellation of projects. These cancellations were due to clients not being able to secure investments to qualify for MCEP incentives.

<sup>4</sup> **Foreign Governments and International Organisations:** Under-spending on foreign governments and international organisations is due to exchange-rate fluctuations on payments to the WTO, Organisation for the Prohibition of Chemical Weapons and UNIDO.

<sup>5</sup> **Non-profit institutions:** Funds earmarked for Proudly South African were not disbursed as projected.

<sup>6</sup> **Households:** Payment of bursaries to non **the dti** employees was delayed due to the late receipt of invoices.

<sup>7</sup> **Gifts and donations:** Funds projected for gifts and donations were not fully utilised as planned.

<sup>8</sup> **Machinery and equipment:** The under-spending is due to computer equipment that could not be procured as planned pending the filling of vacant posts.

<sup>9</sup> **Software and other intangibles:** The under-spending on intangible assets (software) is due to delays in the appointment of a vendor for the delivery of IEMS.

<sup>10</sup> **Payments for financial assets:** Funds projected for payments for financial assets were not fully utilised as planned.

NATIONAL DEPARTMENT: TRADE AND INDUSTRY VOTE 36 STATEMENT OF FINANCIAL PERFORMANCE  
for the year ended 31 March 2014

	<b>Note</b>	<b>2013/14 R'000</b>	<b>2012/13 R'000</b>
<b>REVENUE</b>			
Annual appropriation	<u>1</u>	9,515, 580	8,351,086
Departmental revenue	<u>2</u>	71,741	135,323
Aid assistance	<u>3</u>	65,711	509,379
<b>TOTAL REVENUE</b>		<b>9,653,032</b>	<b>8,995,788</b>
<b>EXPENDITURE</b>			
<b>Current expenditure</b>			
Compensation of employees	<u>4</u>	789,346	671,550
Goods and services	<u>5</u>	690,354	592,838
Interest and rent on land	<u>6</u>	-	487
Aid assistance	<u>3</u>	5,356	8,323
<b>Total current expenditure</b>		<b>1, 485, 056</b>	<b>1,273,198</b>
<b>Transfers and subsidies</b>			
Transfers and subsidies	<u>8</u>	7,880,776	6,898,927
Aid assistance	<u>3</u>	62,336	71,942
<b>Total transfers and subsidies</b>		<b>7,943,112</b>	<b>6,970,869</b>
<b>Expenditure for capital assets</b>			
Tangible capital assets	<u>9</u>	12,053	36,632
Intangible assets	<u>9</u>	6,615	3,863
<b>Total expenditure for capital assets</b>		<b>18,668</b>	<b>40,495</b>
<b>Payments for financial assets</b>	<u>7</u>	<b>1,164</b>	<b>82,131</b>
<b>TOTAL EXPENDITURE</b>		<b>9,448,000</b>	<b>8,366,693</b>
<b>SURPLUS FOR THE YEAR</b>		<b>205,032</b>	<b>629,095</b>
<b>Reconciliation of Surplus for the year</b>			
Voted funds	<u>15</u>	<b>135,284</b>	<b>64,658</b>
Annual appropriation		135,284	64,658
Departmental revenue and NRF receipts	<u>16</u>	71, 741	135,323
Aid assistance	<u>3</u>	(1,993)	429,114
<b>SURPLUS FOR THE YEAR</b>		<b>205, 032</b>	<b>629,095</b>

NATIONAL DEPARTMENT: TRADE AND INDUSTRY VOTE 36 STATEMENT OF FINANCIAL POSITION  
as at 31 March 2014

	<b>Note</b>	<b>2013/14 R'000</b>	<b>2012/13 R'000</b>
<b>ASSETS</b>			
<b>Current assets</b>		<b>228,443</b>	<b>679,208</b>
Unauthorised expenditure	<u>10</u>	37,380	37,380
Cash and cash equivalents	<u>11</u>	87,237	484,422
Other financial assets	<u>12</u>	663	-
Prepayments and advances	<u>13</u>	37,715	33,550
Receivables	<u>14</u>	65,448	123,856
<b>Non-current assets</b>		<b>2,468</b>	<b>2,935</b>
Other financial assets	<u>12</u>	2,468	2,935
<b>TOTAL ASSETS</b>		<b>230,911</b>	<b>682,143</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>		<b>168,456</b>	<b>562,289</b>
Voted funds to be surrendered to the Revenue Fund	<u>15</u>	87,093	24,751
Departmental revenue to be surrendered to the Revenue Fund	<u>16</u>	14,203	94,198
Payables	<u>17</u>	33,110	14,226
Aid assistance repayable	<u>3</u>	34,050	429,114
<b>TOTAL LIABILITIES</b>		<b>168,456</b>	<b>562,289</b>
<b>NET ASSETS</b>		<b>62,455</b>	<b>119,854</b>
<b>Represented by:</b>			
Recoverable revenue		62,455	119,854
<b>TOTAL</b>		<b>62,455</b>	<b>119,854</b>

NATIONAL DEPARTMENT: TRADE AND INDUSTRY VOTE 36 STATEMENT OF CHANGES IN NET ASSETS  
for the year ended 31 March 2014

	<i>Note</i>	<b>2013/14</b>	<b>2012/13</b>
		<b>R'000</b>	<b>R'000</b>
<b>NET ASSETS</b>			
<b>Recoverable revenue</b>			
<b>Opening balance</b>		119,854	173,512
Transfers:		<b>(57, 399)</b>	<b>(53,658)</b>
Irrecoverable amounts written off	<u>7.2<sup>1</sup></u>	(71, 889)	(80,172)
Debts revised		(16, 764)	(644)
Debts recovered (included in departmental receipts)		(30 ,819)	(39,238)
Debts raised		62, 073	66,396
<b>Closing balance</b>		<b>62,455</b>	<b>119,854</b>
<b>TOTAL</b>		<b>62,455</b>	<b>119,854</b>

<sup>1</sup> National Treasury Instruction 02A of 2013/14 permitted departments as a once-off dispensation to write-off irrecoverable debt, raised as recoverable revenue, against departmental revenue without identifying savings in its annual allocation.

NATIONAL DEPARTMENT: TRADE AND INDUSTRY VOTE 36 CASH FLOW STATEMENT  
for the year ended 31 March 2014

	<i>Note</i>	<b>2013/14 R'000</b>	<b>2012/13 R'000</b>
<b>CASH FLOW</b>			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts		<b>9,604,803</b>	<b>8,955,892</b>
Annual appropriated funds received	<u>1</u>	9,467,389	8,311,190
Departmental revenue received	<u>2</u>	71,609	95,974
Interest received	<u>2.3</u>	94	39,349
Aid assistance received	<u>3</u>	65,711	509,379
Net increase in working capital		73,127	66,726
Surrendered to Revenue Fund		(176,487)	(93,895)
Surrendered to RDP Fund/Donor		(393,071)	(421,657)
Current payments		(1,485,056)	(1,272,711)
Interest paid	<u>6</u>	-	(487)
Payments for financial assets	<u>7</u>	(1,164)	(82,131)
Transfers and subsidies paid		(7,943,112)	(6,970,869)
<b>Net cash flow available from operating activities</b>	<u>18</u>	<b>(320,960)</b>	<b>180,868</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payment for capital assets	<u>9</u>	(18,668)	(40,495)
Proceeds from sale of capital assets	<u>2.4</u>	38	-
Decrease in other financial assets		(196)	(1,429)
<b>Net cash flows from investing activities</b>		<b>(18,826)</b>	<b>(41,924)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Decrease in net assets		(57,399)	(53,658)
<b>Net cash flows from financing activities</b>		<b>(57,399)</b>	<b>(53,658)</b>
Net (decrease)/increase in cash and cash equivalents		(397,185)	85,286
Cash and cash equivalents at the beginning of the period		484,422	399,136
<b>Cash and cash equivalents at end of period</b>	<u>19</u>	<b>87,237</b>	<b>484,422</b>

The Financial Statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated.

The historical cost convention has been used, except where otherwise indicated. Management has used assessments and estimates in preparing the Annual Financial Statements. These are based on the best information available at the time of preparation.

Where appropriate and meaningful, additional information has been disclosed to enhance the usefulness of the Financial Statements and to comply with the statutory requirements of the Public Finance Management Act, Act 1 of 1999 (as amended by Act 29 of 1999), and Treasury Regulations issued in terms of the Act and the annual Division of Revenue Act, Act 1 of 2010.

## **1. Presentation of the Financial Statements**

### **1.1 Basis of preparation**

The Financial Statements have been prepared in accordance with the Modified Cash Standard. Under the modified cash basis of accounting, only certain elements are recognised in the Statement of Financial Position and Statement of Financial Performance, while others are recorded for presentation as disclosure notes. Under the cash basis of accounting, the effects of transactions and other events are recognised when cash is received or paid or when the final authorisation for payment is effected on the accounting system by no later than 31 March of each year.

### **1.2 Going concern**

The Financial Statements have been prepared on a going concern basis.

### **1.3 Presentation currency**

Amounts have been presented in the currency of South African Rand (R), which is also the functional currency of the department.

### **1.4 Rounding**

Unless otherwise stated, financial figures have been rounded to the nearest one thousand Rand (R'000).

### **1.5 Foreign currency translation**

Cash flows arising from foreign currency transactions are translated into South African Rands using the exchange rates prevailing at the date of payment or receipt.

### **1.6 Comparative figures**

Prior year comparative information has been presented in the current year's Financial Statements. Where necessary, figures included in the prior year Financial Statements have been reclassified to ensure that the format in which the information is presented is consistent with the format of the current year's Financial Statements.

**1.7 Current year comparison with budget**

A comparison between the approved, final budget and actual amounts for each programme and economic classification is included in the Appropriation Statement.

**2. Revenue**

**2.1 Appropriated funds**

Appropriated funds comprise departmental allocations. Appropriated funds are recognised on the date the appropriation becomes effective. Adjustments made in terms of the adjustments budget process are recognised in the Statement of Financial Performance on the date the adjustments become effective. The net amount of any appropriated funds due to/from the relevant revenue fund at the reporting date is recognised as a payable or receivable in the Statement of Financial Position.

**2.2 Departmental revenue**

Departmental revenue is recognised in the Statement of Financial Performance when received and is subsequently paid into the relevant revenue fund, unless stated otherwise. Any amount owing to the relevant revenue fund at the reporting date is recognised as a payable in the Statement of Financial Position.

**2.2.1 Tax revenue**

Tax revenue consists of all compulsory unrequited amounts collected by the department in accordance with laws and/or regulations (excluding fines, penalties and forfeits). In the case of the department, this relates to liquor licence fees.

Tax receipts are recognised in the Statement of Financial Performance when received.

**2.2.2 Sale of goods and services other than capital assets**

The proceeds received from the sale of goods and/or the provision of services is recognised in the Statement of Financial Performance when the cash is received.

**2.2.3 Fines, penalties and forfeits**

Fines, penalties and forfeits are compulsory, unrequited amounts that are imposed by a court or quasi-judicial body. Revenue arising from fines, penalties and forfeits is recognised in the Statement of Financial Performance when the cash is received.

**2.2.4 Interest, dividends and rent on land**

Interest, dividends and rent on land are recognised in the Statement of Financial Performance when the cash is received.

**2.2.5 Sale of capital assets**

The proceeds received on the sale of capital assets are recognised in the Statement of Financial Performance when the cash is received.



**2.2.6 Transactions in financial assets and liabilities**

Financial assets include repayment of debt previously extended to employees and public corporations are recognised as revenue in the Statement of Financial Performance on receipt of the funds. Amounts receivable at the reporting date are indicated in the Notes to the Financial Statements. Cheques issued in previous accounting periods that expire before being banked are recognised as revenue in the Statement of Financial Performance when the cheque becomes stale. When the cheque is reissued, the payment is made from revenue. Foreign exchange gains are recognised in the Statement of Financial Performance on payment of funds. The foreign exchange rate on the date of payment is used for the translation of the foreign currency to South African Rand.

**2.2.7 Transfers received (including gifts, donations and sponsorships)**

All cash gifts, donations and sponsorships are paid into the National Revenue Fund and recorded as revenue in the Statement of Financial Performance when received. Amounts receivable at the reporting date are disclosed in the Notes to the Financial Statements. All in-kind gifts, donations and sponsorships are recorded in the Notes to the Financial Statements on the date of receipt and measured at fair value.

**2.3 Accrued departmental revenue**

Accruals in respect of departmental revenue (excluding tax revenue) are recorded in the Notes to the Financial Statements when it is probable that the economic benefits or service potential associated with the transaction will flow to the department, and the amount of revenue can be measured reliably. The accrued revenue is measured at the fair value of the consideration receivable. Accrued tax revenue (and related interest and penalties) is measured at amounts receivable from collecting agents.

**2.4 Direct Exchequer receipts and payments**

All direct exchequer receipts are recognised in the Statement of Financial Performance when the cash is received and subsequently paid into the National Revenue Fund, unless stated otherwise. Any amount owing to the National Revenue Fund at the end of the financial year is recognised as a payable in the Statement of Financial Position. All direct exchequer payments are recognised in the Statement of Financial Performance when final authorisation for payment is effected on the system by no later than 31 March of each year.

**2.5 Aid assistance**

Local and foreign aid assistance is recognised in the financial records when notification of the donation is received from the NT, or when the department directly receives the cash from the donor(s). The total cash amounts received during the year are reflected in the statement of financial performance as revenue. All in-kind local and foreign aid assistance are recorded in the Notes to the Financial Statements on the date of receipt and is measured at fair value in the annexures to the Financial Statements.

Cash payments made during the year relating to local and foreign aid assistance projects are recognised as expenditure in the Statement of Financial Performance when final authorisation

for payment is effected in the accounting records by no later than 31 March of each year. The value of the assistance expensed prior to the receipt of the funds is recognised as a receivable in the Statement of Financial Position. Aid assistance not spent for the intended purpose and any unutilised funds from aid assistance that are required to be refunded to the donor are recognised as a payable in the Statement of Financial Position.

### **3. Expenditure**

#### **3.1 Compensation of employees**

##### **3.1.1 Salaries and Wages**

Salaries and wages comprise payments to employees, including leave entitlements, 13th cheques and performance bonuses. Salaries and wages are recognised as an expense in the Statement of Financial Performance when the final authorisation for payment is effected on the system by no later than 31 March of each year.

##### **3.1.2 Social Contributions**

Social contributions include the employer's contribution to social insurance schemes paid on behalf of the employee. Social contributions are recognised as an expense in the Statement of Financial Performance when the final authorisation for payment is effected on the payroll system.

##### **3.1.3 Short-Term Employee Benefits**

Short-term employee benefits that give rise to a present legal or constructive obligation are disclosed in the Disclosure Notes to the Financial Statements and are not to be recognised in the Statement of Financial Performance or position. The department also provides medical benefits for certain of its employees. Employer contributions to the medical funds are expensed when the final authorisation for payment to the fund is effected on the payroll system.

##### **3.1.4 Post-Retirement Benefits**

The department contributes towards the retirement benefits (pension benefits) for certain of its employees through a defined benefit plan for government employees. These benefits are funded by both employer and employee contributions. Employer contributions to the fund are expensed when the final authorisation for payment to the funds is effected on the payroll system. No provision is made for unfunded retirement benefits in the Financial Statements of the department. Any potential liabilities are disclosed in the Financial Statements of the National Revenue Fund and not in the Financial Statements of the employer department. The department provides medical benefits for certain of its ex-employees. Employer contributions to the medical funds are expensed when final authorisation for payment to the fund is effected on the system. Medical benefits made by the department for certain of its ex-employees are classified as transfers to households in the Statement of Financial Performance.

**3.1.5 Termination Benefits**

Termination benefits such as severance packages are recognised as an expense in the Statement of Financial Performance as a transfer to households when the final authorisation for payment is effected on the payroll system. Households in this context refer to past employees.

**3.1.6 Other Long-Term Employee Benefits**

Other long-term employee benefits, such as capped leave, are recognised as an expense in the Statement of Financial Performance as a transfer to households when the authorisation for payment is effected on the system. Long-term employee benefits that give rise to a present legal or constructive obligation are disclosed in the Disclosure Notes to the Financial Statements. These amounts are not recognised in the Statement of Financial Performance or Position.

**3.2 Goods and services**

Payments made during the year for goods and/or services are recognised as an expense in the Statement of Financial Performance when the final authorisation for payment is effected on the accounting system. The expense is classified as capital if the goods and services were used on a capital project or an asset of R5 000 or more is purchased. All assets costing less than R5 000 are classified and presented as current expenditure. Goods and services are also recorded in an inventory register. Rental paid for the use of buildings or other fixed structures is classified as goods and services and not rent on land.

**3.3 Interest**

Interest is recognised as an expense in the Statement of Financial Performance when the final authorisation for payment is effected on the system by no later than 31 March of each year.

**3.4 Payment for financial assets**

Receivables are written off when identified as irrecoverable. Receivables written-off are limited to the amount of savings and/or under-spending of appropriated funds. The write-off occurs at year-end or when funds are available. No provision is made for irrecoverable amounts, but an estimate of the amount to be impaired is indicated as a Disclosure Note to the Financial Statements. Foreign-exchange losses are recognised in the Statement of Financial Performance on the payment of funds. The foreign exchange rate on the date of payment is used for the translation of the foreign currency to South African Rand. All other losses are recognised in the Statement of Financial Performance when authorisation has been granted for the recognition thereof.

**3.5 Transfers and subsidies**

Transfers and subsidies are recognised as an expense when the authorisation for payment is effected on the accounting system by no later than 31 March of each year.

**3.6 Unauthorised expenditure**

When confirmed, unauthorised expenditure is recognised as an asset in the Statement of Financial Position until such time as the expenditure is either approved by the relevant authority, recovered from the responsible person or written off as irrecoverable in the Statement of Financial Performance. Unauthorised expenditure approved with funding is derecognised from the Statement of Financial Position when the unauthorised expenditure is approved and the related funds are received. Where the amount is approved without funding, it is recognised as expenditure, subject to the availability of savings, in the Statement of Financial Performance on the date stipulated in the Act. Unauthorised expenditure is measured at the amount of the confirmed unauthorised expenditure.

**3.7 Fruitless and wasteful expenditure**

Fruitless and wasteful expenditure is recorded in the Notes to the Financial Statements when confirmed. The amount recorded is equal to the total value of the fruitless and/or wasteful expenditure incurred. Fruitless and wasteful expenditure is removed from the Notes to the Financial Statements when it is resolved or transferred to receivables for recovery. Fruitless and wasteful expenditure receivables are measured at the amount that is expected to be recoverable and are derecognised when settled or subsequently written-off as irrecoverable.

**3.8 Irregular expenditure**

When confirmed, irregular expenditure must be recorded in the Notes to the Financial Statements. The amount to be recorded in the notes must be equal to the value of the irregular expenditure incurred unless it is impracticable to determine the value thereof. Where such impracticability exists, the reasons must be provided in the notes. Irregular expenditure must be removed from the notes when it is either:

- (a) Condoned by NT or the relevant authority;
- (b) Transferred to receivables for recovery;
- (c) Not condoned and is irrecoverable.

A receivable related to irregular expenditure is measured at the amount that is expected to be recovered and must be derecognised when the receivable is settled or subsequently written-off as irrecoverable.

**3.9 Expenditure for capital assets**

Payments made for capital assets are recognised as an expense in the Statement of Financial Performance when the final authorisation for payment is effected on the accounting system.

#### **4. Assets**

##### **4.1 Cash and cash equivalents**

Cash and cash equivalents are carried in the Statement of Financial Position at cost.

For the purposes of the cash flow statement, cash and cash equivalents comprise cash-on-hand, deposits held, other short-term highly liquid investments and bank overdrafts.

##### **4.2 Other financial assets**

Other financial assets are carried in the Statement of Financial Position at cost.

##### **4.3 Prepayments and advances**

Amounts prepaid or advanced are recognised in the Statement of Financial Position when the payments are made and are derecognised as and when the goods/services are received or the funds are utilised. Pre-payments and advances outstanding at the end of the year are carried in the Statement of Financial Position at cost, and are subsequently expensed when the goods and services are received.

##### **4.4 Receivables**

Receivables included in the Statement of Financial Position arise from cash payments made that are recoverable from another party (including departmental employees) and are derecognised upon recovery or write-off. Receivables outstanding at year-end are carried in the Statement of Financial Position at cost, plus any accrued interest, less amounts already settled or written off. Revenue receivables not yet collected and amounts that are potentially irrecoverable are included in the notes.

##### **4.6 Capital assets**

###### **4.6.1 Movable assets**

Movable capital assets are initially recorded in the Notes to the Financial Statements at cost. Movable capital assets acquired through a non-exchange transaction are measured at fair value as at the date of acquisition. Where the cost of movable capital assets cannot be accurately determined, the movable capital assets are measured at fair value, and where fair value cannot be determined, the movable assets are measured at R1. All assets acquired prior to 1 April 2002 (or a later date as approved by the Office of the Accountant General) are recorded at R1. Movable capital assets are subsequently carried at cost and are not subject to depreciation or impairment. Subsequent expenditure that is of a capital nature is added to the cost of the asset at the end of the capital project unless the movable asset is recorded by another department or entity, in which case the completed project costs are transferred to that department.

#### **4.6.2 Intangible assets**

Intangible assets are initially recorded in the Notes to the Financial Statements at cost. Intangible assets acquired through a non-exchange transaction are measured at fair value as at the date of acquisition. Internally generated intangible assets are recorded in the Notes to the Financial Statements when the department commences the development phase of the project. Where the cost of intangible assets cannot be accurately determined, the intangible capital assets are measured at fair value, and where fair value cannot be determined, the intangible assets are measured at R1. All assets acquired before 1 April 2002 (or a later date as approved by the Office of the Accountant General) are recorded at R1. Intangible assets are subsequently carried at cost and not subject to depreciation or impairment. Subsequent expenditure that is of a capital nature is added to the cost of the asset at the end of the capital project unless the intangible asset is recorded by another department or entity, in which case the completed project costs are transferred to that department.

### **5. Liabilities**

#### **5.1 Voted funds to be surrendered to the Revenue Fund**

Unexpended appropriated funds are surrendered to the National Revenue Fund. Amounts owing to the National Revenue Fund at the end of the financial year are recognised as liabilities in the Statement of Financial Position.

#### **5.2 Departmental revenue to be surrendered to the Revenue Fund**

Amounts owing to the National Revenue Fund at the end of the financial year are recognised in the Statement of Financial Position at cost.

#### **5.3 Payables**

Recognised payables mainly comprise amounts owing to other government entities. These payables are recognised at cost in the Statement of Financial Position.

#### **5.4 Contingent liabilities**

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the department; or a present obligation that arises from past events, but is not recognised because:

- It is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; or
- The amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are included in the Notes to the Financial Statements.

**5.5 Contingent assets**

Contingent assets are recorded in the Notes to the Financial Statements when a possible asset arises from past events, and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department.

**5.6 Commitments**

Commitments are recorded at cost in the notes to the Financial Statements when there is a contractual arrangement or an approval by management in a manner that raises a valid expectation that the department will discharge its responsibilities thereby incurring future expenditure that will result in the outflow of cash.

**5.7 Accruals**

Accruals represent goods and services that have been received, but where no invoice has been received from the supplier at the reporting date, or where an invoice has been received but final authorisation for payment has not been effected on the accounting system. Accruals also include transfers and subsidies relating to incentive grants where an approval has been granted and payment has not been effected on the accounting system as at end of financial year. Accruals are not recognised in the Statement of Financial Position as a liability or as expenditure in the Statement of Financial Performance, but are indicated in the Notes to the Financial Statements. Accrued expenditure payable is measured at cost.

**5.8 Employee benefits**

Short-term employee benefits not yet paid that give rise to a present legal or constructive obligation are disclosed in the Notes to the Financial Statements. These amounts are not recognised in the Statement of Financial Performance or Statement of Financial Position.

**5.9 Lease commitments**

**Finance leases**

Finance lease payments made during the reporting period are recognised as capital expenditure in the Statement of Financial Performance on the date of payment. The finance lease commitments are recorded in the Notes to the Financial Statements and are not apportioned between the capital and interest portions. Finance lease assets acquired at the end of the lease term are recorded and measured at the lower of:

- Cost, being the fair value of the asset; or
- The sum of the minimum lease payments made, including any payments made to acquire ownership at the end of the lease term, excluding interest.

**Operating leases**

Operating lease payments made during the reporting period are recognised as current expenditure in the statement of financial performance on the date of payment. The operating lease commitments are recorded in the Notes to the Financial Statements.

**5.10 Provisions**

Provisions are recorded in the Notes to the Financial Statements when there is a present legal or constructive obligation to forfeit economic benefits as a result of events in the past and it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate of the obligation can be made. The provision is measured as the best estimate of the funds required to settle the present obligation at the reporting date.

**5.11 Impairment of financial assets**

Where there is an indication of impairment of a financial asset, an estimation of the reduction in the recorded carrying value to reflect the best estimate of the amount of the future economic benefits expected to be received from that asset is recorded in the Notes to the Financial Statements.

**6. Receivables for departmental revenue**

Receivables for departmental revenue are disclosed in the Disclosure Notes to the Financial Statements. These receivables are written-off when identified as irrecoverable and are disclosed separately.

**7. Recoverable revenue**

Amounts are recognised as recoverable revenue when a payment made in a previous financial year becomes recoverable from a debtor in the current financial year. Amounts are either transferred to the National Revenue Fund when recovered or are transferred to the Statement of Financial Performance when written-off.

**8. Related party transactions**

Related parties are those transactions that are not undertaken at arm's length with related parties as defined. Specific information with regards to related party transactions is included in the Notes to the Financial Statements.

**9. Key management personnel**

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the department. Compensation paid to key management personnel, including their family members where relevant, is indicated in the Notes to the Financial Statements.



**10. Public-private partnerships**

A public-private partnership (PPP) is a commercial transaction between the department and a private party in terms of which the private party:

- Performs an institutional function on behalf of the institution; and/or
- Acquires the use of state property for its own commercial purposes; and
- Assumes substantial financial, technical and operational risks in connection with the performance of the institutional function and/or use of state property; and
- Receives a benefit for performing the institutional function, or from utilising the state property, either by way of:
  - Consideration to be paid by the department which derives from a Revenue Fund;
  - Charges fees to be collected by the private party from users or customers of a service provided to them; or
  - A combination of such consideration and such charges or fees.

A description of the PPP arrangement, including the contract fees and current and capital expenditure relating to the PPP arrangement, is included in the Disclosure Notes to the Financial Statements.

## 1. Annual appropriation

Included are funds appropriated in terms of the Appropriation Act (and the Adjustments Appropriation Act) for national departments (voted funds) and provincial departments:

	<b>Final Appropriation 2013/14</b>	<b>Actual Funds Received 2013/14</b>	<b>Funds Not Requested/ Not Received 2013/14</b>	<b>Appropriation Received 2012/13</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>
1. Administration	724,139	719,800	4,339	707,082
2. International Trade and Economic Development	146,339	145,839	500	133,116
3. Broadening Participation	1,006,282	1,006,187	95	938,874
4. Industrial Development: Policy Development	1,590,453	1,583,513	6,940	1,508,225
5. Consumer and Corporate Regulation	258,146	258,110	36	225,001
6. Industrial Development: Incentive Administration	5,440,720	5,405,958	34,762	4,522,056
7. Trade and Investment South Africa	349,501	347,982	1,519	276,836
<b>TOTAL</b>	<b>9,515,580</b>	<b>9,467,389</b>	<b>48,191</b>	<b>8,311,190</b>

The Annual Appropriation as at 31 March 2013 is R8.4 billion, which is reflected in the Statement of Financial Performance, while the amount of R8.3 billion reflected in the above table is the actual funds received for the 2012/13 financial year.

### Explanation of funds not requested/not received:

Refer to the Notes to the Appropriation Statement on page 127 to 129 for the reasons funds were not requested/not received.

	<i>Note</i>	<b>2013/14</b> <b>R'000</b>	<b>2012/13</b> <b>R'000</b>
<b>2. Departmental revenue</b>			
Tax revenue		4,228	3,719
Sales of goods and services other than capital assets	<u>2.1</u>	482	444
Fines, penalties and forfeits	<u>2.2</u>	20,420	19
Transactions in financial assets and liabilities	<u>2.5</u>	46,479	91,792
<b>Departmental revenue received</b>		<b>71,609</b>	<b>95,974</b>
Interest, dividends and rent on land	<u>2.3</u>	94	39,349
Sales of capital assets	<u>2.4</u>	38	-
<b>Departmental revenue collected</b>		<b>71,741</b>	<b>135,323</b>

Tax revenue relates to liquor licence fees received.

### 2.1 Sales of goods and services other than capital assets

Sales of goods and services produced by the department	<b>482</b>	<b>444</b>
Sales by market establishment	263	260
Other sales	219	184
<b>TOTAL</b>	<b>482</b>	<b>444</b>

Sales by market establishment relate to revenue received in respect of rental parking.

Other sales comprise commission on insurance and exam fees paid by Patents Examination Board students.

### 2.2 Fines, penalties and forfeits

Fines	12	-
Penalties	20,403	19
Forfeits	5	-
<b>TOTAL</b>	<b>20,420</b>	<b>19</b>

Penalties are fines imposed by the NCR.

	2013/14 R'000	2012/13 R'000
<b>2.3 Interest, dividends and rent on land</b>		
Interest	94	39,349
<b>TOTAL</b>	<b>94</b>	<b>39,349</b>

The amount relates to interest received on bank accounts and debts recovered and written off. National Treasury Instruction 02A of 2013/14 permitted departments as a once-off dispensation to write-off irrecoverable debt, raised as recoverable revenue, against departmental revenue without identifying savings in its annual allocation.

## 2.4 Sales of capital assets

### Tangible capital assets

Machinery and equipment	38	-
<b>TOTAL</b>	<b>38</b>	<b>-</b>

## 2.5 Transactions in financial assets and liabilities

Receivables	30,810	80,102
Forex gain	54	3
Stale cheques written back	-	9
Other Receipts	15,615	11,678
<b>TOTAL</b>	<b>46,479</b>	<b>91,792</b>

Receivables consist of amounts paid over to the National Revenue Fund in respect of debts recovered and written-off. National Treasury Instruction 02A of 2013/14 permitted departments as a once-off dispensation to write off irrecoverable debt, raised as recoverable revenue, against departmental revenue without identifying savings in its annual allocation. Other receipts mainly comprise surplus funds surrendered by the Department of Public Works as a result of funds previously paid for property management fees.

	<i>Note</i>	<b>2013/14</b>	<b>2012/13</b>
		<b>R'000</b>	<b>R'000</b>

### 3. Aid assistance

#### 3.1 Aid assistance received in cash from Reconstruction and Development Programme (RDP)

##### Foreign

Opening Balance	393,071	421,657
Revenue	53,800	473,336
<b>Expenditure</b>	<b>(21,383)</b>	<b>(80,265)</b>
Current	(5,001)	(8,323)
Capital	(12)	-
Transfers	(16,370)	(71,942)
<b>Current year surplus</b>	<b>32,417</b>	<b>393,071</b>
Surrendered to the RDP	(393,071)	(421,657)
<b>Closing Balance</b>	<b>32,417</b>	<b>393,071</b>

#### 3.2 Aid assistance received in cash from Other sources

##### Local

Opening Balance	36,043	-
Revenue	11,911	36,043
<b>Expenditure</b>	<b>(46,321)</b>	<b>-</b>
Current	(355)	-
Transfers	(45,966)	-
<b>Current year surplus</b>	<b>-</b>	<b>36,043</b>
<b>Closing Balance</b>	<b>1,633</b>	<b>36,043</b>

#### 3.3 Analysis of balance

##### Analysis of balance

Aid assistance repayable	<b>34,050</b>	<b>429,114</b>
RDP	32,417	393,071
Other sources	1,633	36,043
<b>Closing balance</b>	<b>34,050</b>	<b>429,114</b>

	<i>Note</i>	<b>2013/14</b>	<b>2012/13</b>
		<b>R'000</b>	<b>R'000</b>
<b>4. Compensation of employees</b>			
<b>4.1 Salaries and Wages</b>			
Basic salary		527,769	439,974
Performance award		11,857	10,372
Service based		1,762	1,029
Compensative/circumstantial		6,011	6,077
Service bonus		30,967	25,942
Homeowners' allowance		7,098	6,798
Other non-pensionable allowances		90,090	75,411
Foreign allowance		29,339	30,862
<b>TOTAL</b>		<b>704,893</b>	<b>596,465</b>
Other non-pensionable allowances comprise car allowances and benefits structured as part of salary packages for employees on level 11 and higher. Foreign allowances comprise cost-of-living allowances awarded to employees based abroad at foreign mission offices.			
<b>4.2 Social contributions</b>			
<b>Employer contributions</b>			
Pension		64,125	55,325
Medical		20,239	19,687
Bargaining council		89	73
<b>TOTAL</b>		<b>84,453</b>	<b>75,085</b>
<b>Total compensation of employees</b>		<b>789,346</b>	<b>671,550</b>
Average number of employees		1,510	1,384

	<i>Note</i>	<b>2013/14</b> <b>R'000</b>	<b>2012/13</b> <b>R'000</b>
<b>5. Goods and services</b>			
Administrative fees		5,471	4,395
Advertising		42,112	29,269
Minor assets	<u>5.1</u>	275	677
Bursaries (employees)		1,392	2,326
Catering		6,230	4,451
Communication		11,281	11,317
Computer services	<u>5.2</u>	18,317	17,155
Consultants, contractors and agency/outsourced services <sup>1</sup>	<u>5.3</u>	72,911	77,813
Entertainment		1,924	1,307
Audit cost-external	<u>5.4</u>	8,123	7,039
Fleet services		632	448
Consumables	<u>5.5</u>	13,833	12,198
Operating leases		277,889	218,717
Property payments	<u>5.6</u>	8,059	12,781
Travel and subsistence	<u>5.7</u>	131,306	117,478
Rental and hiring		171	-
Venues and facilities		46,186	38,650
Training and staff development		10,447	16,436
Other operating expenditure	<u>5.8</u>	33,795	20,381
<b>TOTAL</b>		<b>690,354</b>	<b>592,838</b>

<sup>1</sup>Prior year figure of R2 million for Forensic Investigations was reclassified to Business and Advisory services as a result of SCOA classification. External audit cost figure was also restated to make provision for a split between Regularity and Computer audits.

Prior year figure was restated by R252 000 as a result of reclassification of Gifts to Other Consumables under note 5.6 according to the latest Standard Chart of Accounts (SCOA) as issued by National Treasury.

#### 5.1 Minor Assets

<b>Tangible assets</b>	<b>252</b>	<b>669</b>
Machinery and equipment	252	669
<b>Intangible assets</b>	23	8
<b>TOTAL</b>	<b>275</b>	<b>677</b>

	<i>Note</i>	<b>2013/14</b>	<b>2012/13</b>
		<b>R'000</b>	<b>R'000</b>
<b>5.2 Computer services</b>			
SITA computer services		6,675	9,094
External computer service providers		11,642	8,061
<b>TOTAL</b>		<u><b>18,317</b></u>	<u><b>17,155</b></u>

**5.3 Consultants, contractors and agency/outsourced services**

Business and advisory services	40,065	39,067
Legal costs	10,551	9,754
Contractors	21,404	28,774
Agency and support/outsourced services	891	218
<b>TOTAL</b>	<u><b>72,911</b></u>	<u><b>77,813</b></u>

Prior year figure for Business and advisory services was restated by R2 million as a result of SCOA classification.

**5.4 Audit cost – External**

Regularity audits	7, 647	6, 723
Computer audits	476	316
<b>TOTAL</b>	<u><b>8,123</b></u>	<u><b>7,039</b></u>

Prior year figure of R2 million for Forensic Investigations was reclassified to Business and advisory services as a result of SCOA classification. External audit cost figure was also restated to make provision for a split between Regularity and Computer audits.



	<i>Note</i>	<b>2013/14</b>	<b>2012/13</b>
		<b>R'000</b>	<b>R'000</b>
<b>5.5 Consumables</b>			
<b>Consumable supplies</b>		<b>1,755</b>	<b>1,414</b>
Uniform and clothing		281	486
Household supplies		188	292
Building material and supplies		3	-
Communication accessories		3	-
IT consumables		605	382
Other consumables		675	254
Stationery, printing and office supplies		12,078	10,784
<b>TOTAL</b>		<b>13,833</b>	<b>12,198</b>

Inventory not essential for satisfying the service delivery obligation of a department was reclassified to Consumables with effect from the 2013/14 financial year as per the Financial Statements preparation guide issued by the NT.

#### 5.6 Property payments

Municipal services	1,273	1,128
Property management fees	-	-
Property maintenance and repairs	6,168	10,913
Other	618	740
<b>TOTAL</b>	<b>8,059</b>	<b>12,781</b>

#### 5.7 Travel and subsistence

Local	65,182	54,515
Foreign	66,124	62,963
<b>TOTAL</b>	<b>131,306</b>	<b>117,478</b>

	<i>Note</i>	<b>2013/14</b> <b>R'000</b>	<b>2012/13</b> <b>R'000</b>
<b>5.8 Other operating expenditure</b>			
Courier, delivery and freight services		2,181	1,400
Professional bodies, membership and subscription fees		13,058	4,524
Printing and publications services		7,952	6,534
Resettlement costs		4,892	2,719
School boarding/tuition cost		5,276	4,219
Storage of files		412	946
<sup>1</sup> Other		24	39
<b>TOTAL</b>		<b>33,795</b>	<b>20,381</b>

<sup>1</sup>Prior year figure was restated by R252 000 as a result of reclassification of Gifts to Other Consumables under note 5.6 according to the latest Standard Chart of Accounts as issued by NT.

## **6. Interest and rent on land**

Interest paid	-	487
<b>TOTAL</b>	<b>-</b>	<b>487</b>

	<i>Note</i>	<b>2013/14</b>	<b>2012/13</b>
		<b>R'000</b>	<b>R'000</b>
<b>7. Payments for financial assets</b>			
<b>Material losses through criminal conduct</b>			
Theft	<u>7.3</u>	161	-
Other material losses written off	<u>7.1</u>	717	1,704
Debts written off	<u>7.2<sup>1</sup></u>	284	80,426
Forex losses	<u>7.4</u>	2	1
<b>TOTAL</b>		<b><u>1,164</u></b>	<b><u>82,131</u></b>

The difference in amounts for debts written off amounting to R71.9 million in the Statement of Changes in Net Assets is as a result of National Treasury Instruction 02A of 2013/14.

#### **7.1 Other material losses written off**

##### **Nature of losses**

Fruitless and wasteful expenditure	2	-
Court settlement	604	1,704
Claims for losses by staff	32	-
Fraud	79	-
<b>TOTAL</b>	<b><u>717</u></b>	<b><u>1,704</u></b>

#### **7.2 Debts written off**

##### **Recoverable revenue written off:**

General Export Incentive Scheme	-	79,925
Salary overpayment out of service	-	82
Small and Medium Enterprise Development Programme	-	83
Suppliers	-	10
Other (medical debt, cellphone, damages to property, etc.)	-	72
<b>TOTAL</b>	<b><u>-</u></b>	<b><u>80,172</u></b>

	<i>Note</i>	<b>2013/14</b>	<b>2012/13</b>
		<b>R'000</b>	<b>R'000</b>
<b>Other Debts written off:</b>			
Salary overpayment out of service		64	69
Suppliers		-	11
Other (medical debt, cellphone, damage to property, etc.)		3	174
Regional Industrial Development (RID)		217	-
<b>TOTAL</b>		<u><b>284</b></u>	<u><b>254</b></u>
<b>Total debt written off</b>		<u><b>284</b></u>	<u><b>80,426</b></u>
			-
<b>7.3 Details of theft</b>			
Laptops		161	-
<b>TOTAL</b>		<u><b>161</b></u>	<u><b>-</b></u>
<b>7.4 Forex losses</b>			
<b>Nature of losses</b>			
Exchange rate variances for foreign transactions		2	1
<b>TOTAL</b>		<u><b>2</b></u>	<u><b>1</b></u>

	<i>Note</i>	<b>2013/14</b> <b>R'000</b>	<b>2012/13</b> <b>R'000</b>
<b>8. Transfers and subsidies</b>			
Departmental agencies and accounts	<i>Annex1A</i>	1,287,727	1,127,995
Higher education institutions	<i>Annex1B</i>	12,830	32,600
Public corporations and private enterprises	<i>Annex1C</i>	6,511,248	5,671,754
Foreign governments and international organisations	<i>Annex 1D</i>	37,572	37,344
Non-profit institutions	<i>Annex 1E</i>	26,885	23,900
Households	<i>Annex 1F</i>	3,955	4,637
Gifts, donations and sponsorships made	<i>Annex 1I</i>	559	697
<b>TOTAL</b>		<b>7,880,776</b>	<b>6,898,927</b>

## 9. Expenditure for capital assets

<b>Tangible assets</b>		<b>12,053</b>	<b>36,632</b>
Machinery and equipment	<i>31.1</i>	12,009	36,632
Finance lease expenditure	<i>9.2</i>	44	-
<b>Intangible assets</b>		<b>6,615</b>	<b>3,863</b>
Computer software	<i>32.1</i>	6,615	3,863
<b>TOTAL</b>		<b>18,668</b>	<b>40,495</b>

### 9.1 Analysis of funds utilised to acquire capital assets – 2013/14

	<b>Voted funds</b> <b>R'000</b>	<b>Aid assistance</b> <b>R'000</b>	<b>Total</b> <b>R'000</b>
<b>Tangible assets</b>			
Machinery and equipment	11,997	12	12,009
<b>Intangible assets</b>			
Computer software	6,615	-	6,615
<b>TOTAL</b>	<b>18,612</b>	<b>12</b>	<b>18,624</b>

	<i>Note</i>	<b>2013/14 R'000</b>
<b>9.2 Finance lease expenditure included in expenditure for capital assets</b>		
<b>Tangible assets</b>		<b>44</b>
Machinery and equipment		44
<b>TOTAL</b>		<b>44</b>

**9.3 Analysis of funds utilised to acquire capital assets – 2012/13**

	Voted funds	Aid assistance	Total
	R'000	R'000	R'000
<b>Tangible assets</b>			
Machinery and equipment	36,632	-	36,632
<b>Intangible assets</b>			
Computer software	3,863	-	3,863
<b>Total assets acquired</b>	<b>40,495</b>	<b>-</b>	<b>40,495</b>

## 10. Unauthorised expenditure

**10.1 Reconciliation of unauthorised expenditure**

	<b>2013/14 R'000</b>	<b>2012/13 R'000</b>
Opening balance	37,380	37,380
Less: Amounts approved by Parliament/legislature (with funding)		-
Current	-	-
<b>Unauthorised expenditure awaiting authorisation</b>	<b>37,380</b>	<b>37,380</b>
<b>Analysis of awaiting authorisation per economic classification</b>		
Current	37,380	37,380
<b>TOTAL</b>	<b>37,380</b>	<b>37,380</b>

## 10.2 Details of unauthorised expenditure

<b>Incident</b>	<b>Disciplinary steps taken/criminal proceedings</b>	<b>R'000</b>
<b>Approved</b>		
<b>Awaiting approval</b>		
GEIS [overspending of the vote]	Referred to SCOPA	31,075
Compensation in terms of bilateral treaty [overspending of the vote]	Referred to SCOPA	6,154
Staff Debts written off [overspending of the vote]	Referred to SCOPA	98
Other [overspending of the vote]	Referred to SCOPA	53
<b>TOTAL</b>		<b>37,380</b>

Above amount relates to unauthorised expenditure that was incurred in the 2004/05 financial year.

	<b>Note</b>	<b>2013/14 R'000</b>	<b>2012/13 R'000</b>
<b>11. Cash and cash equivalents</b>			
Consolidated Paymaster General Account		86,961	482,411
Cash Receipts		-	27
Cash on hand		50	33
Cash with commercial banks (Local)		226	1,951
<b>TOTAL</b>		<b>87,237</b>	<b>484,422</b>

Disbursements relates to payments that did not interface at year-end.

	<i>Note</i>	<b>2013/14</b> <b>R'000</b>	<b>2012/13</b> <b>R'000</b>
<b>12. Other financial assets</b>			
<b>Current</b>			
Other (Rental deposits for employees based abroad)		663	-
<b>Total Current other financial assets</b>		<b>663</b>	<b>-</b>
<b>Non-current</b>			
<b>Local</b>			
Staff debts		104	76
Leased property deposit		1,177	1,177
Other		62	64
<b>Sub-total</b>		<b>1,343</b>	<b>1,317</b>
<b>Foreign</b>			
Other (Rental deposits for employees based abroad)		1,125	1,618
<b>Total Non-current other financial assets</b>		<b>2,468</b>	<b>2,935</b>
<b>13. Prepayments and advances</b>			
Staff advances		18	11
Travel and subsistence		263	553
Advances paid	<u>13.1</u>	37,434	32,986
<b>TOTAL</b>		<b>37,715</b>	<b>33,550</b>
<b>13.1 Advances paid</b>			
National departments	<u>Annex 5</u>	37,434	32,986
<b>TOTAL</b>		<b>37,434</b>	<b>32,986</b>

Amount for advances paid substantially relate to advance payments to DIRCO for costs incurred by the foreign mission offices of **the dti**.



## 14. Receivables

	Note	2013/14 R'000				2012/13 R'000
		Less than one year	One to three years	Older than three years	Total	Total
Claims recoverable	<u>14.1</u>	24,171	24,654	6,710	55,535	113,918
Staff debt	<u>14.2</u>	402	228	806	1,436	1,729
Other debtors	<u>14.3</u>	285	713	7,479	8,477	8,209
<b>TOTAL</b>		<b>24,858</b>	<b>25,595</b>	<b>14,995</b>	<b>65,448</b>	<b>123,856</b>

	Note	2013/14 R'000	2012/13 R'000
<b>14.1 Claims recoverable</b>			
	<u>14</u>		
National departments		332	264
Provincial departments		38	39
Public entities		20,480	1,288
Private enterprises		34,685	112,327
<b>TOTAL</b>		<b>55,535</b>	<b>113,918</b>

### 14.2 Staff debt

Bursary	111	282
LWP (Leave without pay)	135	39
School fees	23	23
SOVRIS (Salary overpayment in service)	743	861
Telephone	5	7
Travel and Subsistence	57	264
Cellular phone	10	9
Medical claims	55	134
Petty Cash	11	9
Other	286	101
<b>TOTAL</b>	<b>1,436</b>	<b>1,729</b>

	<i>Note</i>	<b>2013/14</b>	<b>2012/13</b>
		<b>R'000</b>	<b>R'000</b>
<b>14.3 Other debtors</b>			
Bursary		361	285
SOVROS (Salary Overpayment Out of Service)		2,368	2,108
Tax		75	82
Fraud		4,856	4,691
Theft		-	356
Travel and subsistence		255	171
Telephone/cellphone		1	23
State Guarantee		261	245
Leave with payment		100	57
Other		200	191
<b>TOTAL</b>		<b>8,477</b>	<b>8,209</b>
		<hr/>	<hr/>
<b>14.4 Fruitless and wasteful expenditure</b>			
Opening balance		-	-
Less amounts recovered		(7)	-
Less amounts written off		(2)	-
Transfers from note 26 Fruitless and Wasteful expenditure		9	-
<b>TOTAL</b>		<b>-</b>	<b>-</b>
		<hr/>	<hr/>
<b>14.5 Impairment of receivables</b>			
Estimate of impairment of receivables		40,578	121,740
<b>TOTAL</b>		<b>40,578</b>	<b>121,740</b>
		<hr/>	<hr/>

	<i>Note</i>	<b>2013/14</b> <b>R'000</b>	<b>2012/13</b> <b>R'000</b>
<b>15. Voted funds to be surrendered to the Revenue Fund</b>			
Opening balance		24,751	40,245
Transfer from statement of financial performance		135,284	64,658
Voted funds not requested/not received		(48,191)	(39,896)
Paid during the year		(24,751)	(40,256)
<b>Closing balance</b>		<b>87,093</b>	<b>24,751</b>

### 16. Departmental revenue to be surrendered to the Revenue Fund

Opening balance		94,198	12,514
Transfer from Statement of Financial Performance		71,741	135,323
Paid during the year		(151,736)	(53,639)
<b>Closing balance</b>		<b>14,203</b>	<b>94,198</b>

### 17. Payables – current

Amounts owing to other entities	<i>Annex 4</i>	503	701
Clearing accounts	<i>17.1</i>	366	37
Other payables	<i>17.2</i>	32,241	13,488
<b>TOTAL</b>		<b>33,110</b>	<b>14,226</b>

#### 17.1 Clearing accounts

PAYE	322	31
Medical aid	44	6
<b>TOTAL</b>	<b>366</b>	<b>37</b>

	<i>Note</i>	<b>2013/14</b>	<b>2012/13</b>
		<b>R'000</b>	<b>R'000</b>
<b>17.2 Other payables</b>			
Employees (pension and leave pay-outs)		18	162
Liquor licence deposits		678	1,531
National Pavilions (EMIA)		-	30
National Skills Fund		5,259	1,461
Rainprop (PPP)		-	722
Suppliers (rejected EBT payments)		26,286	9,166
Other		-	416
<b>TOTAL</b>		<b>32,241</b>	<b>13,488</b>

## 18. Net cash flow available from operating activities

Net surplus as per Statement of Financial Performance	205,032	629,095
Add back non-cash/cash movements not deemed operating activities	(525,992)	(448,227)
Decrease in debts – current	58,408	55,051
(Increase) in prepayments and advances	(4,165)	(926)
Increase in payables – current	18,884	12,601
Proceeds from sale of capital assets	(38)	-
(Increase) in other financial assets	(663)	-
Expenditure on capital assets	18,668	40,495
Surrenders to Revenue Fund	(176,487)	(93,895)
Surrenders to RDP Fund/Donor	(393,071)	(421,657)
Voted funds not requested/not received	(48,191)	(39,896)
Other non-cash items	663	-
<b>Net cash flow generated by operating activities</b>	<b>(320,960)</b>	<b>180,868</b>

	Note	2013/14 R'000	2012/13 R'000
<b>19. Reconciliation of cash and cash equivalents for cash-flow purposes</b>			
Consolidated Paymaster General account		131,812	482,411
Cash Receipts		-	27
Disbursements		(44,851)	-
Cash on hand		50	33
Cash with commercial banks (Local)		226	1,951
<b>TOTAL</b>		<b>87,237</b>	<b>484,422</b>

Disbursements relates to payments that did not interface at year-end.

## 20. Contingent liabilities and contingent assets

### 20.1 Contingent liabilities

#### Liable to

Housing loan guarantees	<u>Annex 2A</u>	304	80
<sup>1</sup> Claims against the department	<u>Annex 2B</u>	23,171	20,523
Incentive grants	<u>Annex 2B</u>	11,620,522	7,759,459
Other departments (interdepartmental unconfirmed balances)	<u>Annex 4</u>	503	701
<b>TOTAL</b>		<b>11,644,500</b>	<b>7,780,763</b>

Incentive grants approved by **the dti** are not always disbursed in the year of approval. Based on the rules of a particular incentive scheme, grants approved in one year may be disbursed over a period of one to three years following approval. Disbursement of the incentive grant is in all cases conditional on the recipient firms carrying out their approved projects in line with the guidelines of the respective incentive scheme and meeting key performance requirements that are linked to the particular incentive such as achieved investment, output, employment, etc.

Claims against the department are disclosed and will only be settled on decision of the court or if the department accepts liability, both of which are unknown. Amounts disclosed are not necessarily the claim amount, but the amount determined as the most likely amount that the court might settle on.

In addition to the claims against the department above, a claim has been instituted against the Lotteries Board Licence Operator, the National Lotteries Board and the Minister. The legal proceedings are still in progress and at this stage it is difficult to determine the possible outflow of funds, if any, by the department.

<sup>1</sup> Prior year figure was restated by R2.2 million as a result of a reclassification between claims against the department by Rainprop and incentive grants respectively.

	<i>Note</i>	<b>2013/14</b>	<b>2012/13</b>
		<b>R'000</b>	<b>R'000</b>
<b>20.2 Contingent assets</b>			
<b>Nature of contingent asset</b>			
Forensic investigation on EIP claims		3,990	3,990
<b>TOTAL</b>		<b>3,990</b>	<b>3,990</b>

Prior year figure was restated, refer to note 34 (prior period errors)

## 21. Commitments

<b>Current expenditure</b>	<b>100,550</b>	<b>53,698</b>
Approved and contracted	100,550	53,698
<b>Capital expenditure</b>	<b>10,390</b>	<b>1,790</b>
Approved and contracted	10,390	1,790
<b>Total Commitments</b>	<b>110,940</b>	<b>55,488</b>

The commitments above consist of 209 contracts. Thirty-seven of these extend for a period longer than a year, with the last contract ending in September 2018.

## 22. Accruals

### Listed by economic classification

	30 Days	30+ Days	Total	Total
Goods and services	26,966	-	26,966	35,980
Machinery and equipment	-	-	-	311
Transfers and subsidies	-	-	-	-
Other	41,528	-	41,528	10,447
<b>TOTAL</b>	<b>68,494</b>	<b>-</b>	<b>68,494</b>	<b>46,738</b>

*Note*

**2013/14**  
**R'000**

**2012/13**  
**R'000**

### Listed by programme level

Administration	24,420	31,188
International Trade and Economic Development	155	1,082
Broadening Participation	316	449
Industrial Development	777	732
Consumer and Corporate Regulation	380	1,144
Industrial Development: Incentive Administration	587	997
Trade and Investment South Africa	41,859	11,146
<b>TOTAL</b>	<b>68,494</b>	<b>46,738</b>

Other includes allowances payable to foreign officials and outstanding vouchers not yet received from DIRCO.

<i>Note</i>	<b>2013/14</b>	<b>2012/13</b>
	<b>R'000</b>	<b>R'000</b>

## 23. Employee benefits

Leave entitlement	25,658	22,046
Service Bonus (13th cheque)	16,939	14,906
Performance awards	11,987	10,130
Capped leave commitments	11,908	10,917
<b>TOTAL</b>	<b>66,492</b>	<b>57,999</b>

## 24. Lease commitments

### 24.1 Finance leases expenditure

	<b>Machinery and equipment</b>	<b>Total</b>
<b>2013/14</b>	<b>R'000</b>	<b>R'000</b>
Not later than one year	949	949
Later than one year and not later than five years	223	223
<b>Total lease commitments</b>	<b>1,172</b>	<b>1,172</b>

	<b>Machinery and equipment</b>	<b>Total</b>
<b>2012/13</b>	<b>R'000</b>	<b>R'000</b>
Not later than one year	1,064	1,064
Later than one year and not later than five years	323	323
<b>Total lease commitments</b>	<b>1,387</b>	<b>1,387</b>

Prior year operating leases figure was restated, refer to note 34 (prior period errors)



	<i>Note</i>	<b>2013/14</b>	<b>2012/13</b>
		<b>R'000</b>	<b>R'000</b>

## 25. Irregular expenditure

### 25.1 Reconciliation of irregular expenditure

Opening balance	122,632	94,006
Add: Irregular expenditure – relating to current year	6,376	32,966
Less: Amounts condoned	-	(4,340)
Less: Amounts not recoverable (not condoned)	(72,673)	-
<b>Irregular expenditure awaiting condonation</b>	<b>56,335</b>	<b>122,632</b>

### 25.2 Details of irregular expenditure – current year

<b>Incident</b>	<b>Disciplinary steps taken or criminal proceedings</b>	<b>2013/14</b>
		<b>R'000</b>
Procurement deviation	Under investigation	6,376
<b>TOTAL</b>		<b>6,376</b>

### 25.3 Details of irregular expenditure not recoverable (not condoned)

<b>Incident</b>	<b>Not condoned by (condoning authority)</b>	<b>2013/14</b>
		<b>R'000</b>
Procurement deviation		72,673
<b>TOTAL</b>		<b>72,673</b>

## 25.4 Details of irregular expenditure under investigation

Incident	2013/14 R'000
Appointment of foreign national	391
Acting allowance	462
Overtime policy	8,378
Performance bonus	604
Procurement deviation	46,500
<b>TOTAL</b>	<b>56,335</b>

	Note	2013/14 R'000	2012/13 R'000
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## 26. Fruitless and wasteful expenditure

### 26.1 Reconciliation of fruitless and wasteful expenditure

Opening Balance	-	17
Add: fruitless and wasteful expenditure – relating to current year	22	11
Less: Amounts condoned	-	(28)
Less: Amounts transferred to debts for recovery	(9)	-
<b>Fruitless and wasteful expenditure awaiting condonation</b>	<b>13</b>	<b>-</b>
<b>Analysis of awaiting condonation per economic classification</b>		
Current	13	-
<b>TOTAL</b>	<b>13</b>	<b>-</b>

## 26.2 Analysis of Current year's fruitless and wasteful expenditure

Incident	Disciplinary steps taken/criminal proceedings	2013/14 R'000
Non-attendance for a course	Transferred to receivables for recovery	7
Cancellation of an event at training centre	Under investigation	13
Cancellation fee for hotel accommodation	Under investigation	2
<b>TOTAL</b>		<b>22</b>

*Note*

2013/14 R'000	2012/13 R'000
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## 27. Related party transactions

### Revenue received

Rent on land	<u>27.1</u>	10,652	10,922
<b>TOTAL</b>		<b>10,652</b>	<b>10,922</b>

### Year-end balances arising from revenue/payments

Payables to related parties	<u>Annex 4</u>	(490)	(676)
<b>TOTAL</b>		<b>(490)</b>	<b>(676)</b>

	<i>Note</i>	<b>2013/14</b>	<b>2012/13</b>
		<b>R'000</b>	<b>R'000</b>
<b>27.1 Rent on land</b>			
<b>Name of Department/Entity</b>			
Companies and Intellectual Property Commission		10,652	10,922
<b>TOTAL</b>		<b>10,652</b>	<b>10,922</b>

the dti is providing accommodation on the dti Campus to the CIPC at a reduced rental.

**List of related party relationships:**

- Companies and Intellectual Property Commission (CIPC)
- Export Credit Insurance Corporation (ECIC) SOC Limited of South Africa
- National Consumer Commission (NCC)
- National Consumer Tribunal (NCT)
- Companies Tribunal (CT)
- National Credit Regulator (NCR)
- National Empowerment Fund (NEF)
- National Gambling Board (NGB)
- National Lotteries Board (NLB)
- National Metrology Institute of South Africa (NMISA)
- National Regulator for Compulsory Specifications (NRCS)
- Small Enterprise Development Agency (**seda**)
- South African Bureau of Standards (SABS)
- South African National Accreditation System (SANAS)

Related parties disclosed under this note are only those that fall within the Minister's portfolio. For related party transactions relating to other departments and entities, please refer to the Accounting Officer's report.

As per the definition of related parties, key management personnel form part of the related parties. This has been separately disclosed under note 28.

2013/14  
R'000

2012/13  
R'000

## 28. Key management personnel

	No. of Individuals		
Political office bearers (provide detail below)	3	5,576	5,313
<b>Officials:</b>			
Level 15 to 16	17	18,809	14,813
Level 14	67	62,922	57,839
Family members of key management personnel	1	230	-
<b>TOTAL</b>		<b>87,537</b>	<b>77,965</b>

### Political office bearers are:

- Minister RH Davies
- Deputy Minister TV Tobias-Pokolo
- Deputy Minister E Thabethe

## 29. Public-Private Partnership (PPP)

### 29.1 Buildings and other fixed structures

#### Nature of the arrangement

**the dti** Campus PPP is based on a partnership between **the dti** and the City of Tshwane, under which the City owns the land. The City will also own all fixed assets erected thereon. **the dti** will enjoy the peaceful and undisturbed benefits of a sustained collaborative working and unified service delivery environment, to be provided by Rainprop (Pty) Ltd as the private sector partner, which signed an experience delivery agreement with **the dti**. A separate Project Enablement Agreement, ensuring renewal rights under succeeding re-biddings of the PPP or some other future arrangement, binds the City and **the dti**.

#### Significant terms of the arrangement as they might affect future cash flows

The construction of **the dti** Campus was finalised during the first half of 2004, whereafter the move and decant took place between May and November 2004. The retail areas on the Campus became operational shortly thereafter.

Further focus was placed on expanding capacity within **the dti** to execute the PPP agreement. Additional specialist positions that were created have been filled.

Variation orders proceeded though particular challenges around project management resulted in frustration to clients.

Unitary payments are based on a baseline amount of R108.6 million (2004) per annum, which appreciates at CPI on 1 July of each year. Cash flows in the form of unitary payments and payments to Rainprop (Pty) Ltd towards pass-through costs commenced during April 2004. In 2013/14, such payments totalled R213 million, compared to the R196.2 million for the 2012/13 reporting period.

Payments made regarding additional accommodation under one variation order amounted to R19,670 million in 2013/14 to accommodate **the dti** and COTII space needs; for the 2012/13 period this was R2.6 million. The amount for variation orders other than the additional space for the period under review affecting the Campus was R946 000, which is less than the R3.5 million for the previous year.

Variation orders relate to changes and additions to the design of the building, and changes to accommodate increased numbers of staff, more so since **the dti** is providing accommodation for the Economic Development Department and some of its agencies. This has expanded the staffing complement that must be supported on Campus.

Payments of R492 000 were made during the reporting period for small works which is less than R2.2 million for the previous year.

Cash flows in the form of pass-through costs to Rainprop (Pty) Ltd for services such as rates, electricity, water and consumables amounted to R27.8 million. Included in this amount is a credit to be passed in April 2014 due to incorrect utility calculations by the concessionaire. This amount as calculated by **the dti** is R4.9 million, implying that the pass-through costs for 2013/14 will be reduced correspondingly in 2014/15 by this amount.

Performance deductions of R7 000 were charged and recovered from Rainprop (Pty) Ltd, while performance bonuses of R323.79 were paid to Rainprop.

Payments regarding advisory services on the PPP contract for the year amounted to R2.5 million. The services related to advice on contract improvements and oversight.

#### **Nature and extent of:**

##### **Right to use specified assets**

The Concessionaire, who will have direct rights of use under its land availability agreement with the City, will manage the land and buildings owned by the City.

The Concessionaire, having in this manner mobilised the capital assets, will provide experienced delivery services to **the dti** as contractually defined by an “experience delivery matrix” over the term of the concession. **the dti** will enjoy the benefits as deemed contractually appropriate by the Concessionaire in the fulfilment of its obligations to **the dti**.

**Obligation to provide rights or to expect the provision of services**

The City is obliged to provide rights to the Concessionaire under **the dti** or City Project Enablement Agreement, as explained above. At the same time, **the dti** has rights to obtain services under its concession agreement with the private sector PPP partner.

**Obligation to acquire or build items of property, plant and equipment**

The Concessionaire will bear the risks of such obligations and associated risks.

**Obligation to deliver or rights to receive specified assets at the end of the concession period**

**the dti** will have no obligations of any kind to deliver either fixed or moveable assets to any party at the end of the agreement.

Fixed assets, including buildings erected thereon by the Concessionaire as part of its asset mobilisation programme for the project, will at the end of the agreement become assets of the City. **the dti** will have rights against the City to compel the transfer of the rights of use of those assets on behalf of **the dti**, to a successor or the Concessionaire for successive periods, number of successions not less than one.

The moveable assets mobilised by the Concessionaire will fall to the Concessionaire at the end of the agreement for re-use or disposal as it may deem fit, in accordance with the generic provisions of PPP practice.

**Renewal and termination options**

**the dti** has rights of termination of contract or step-in as determined in the concession agreement, all such rights consistent with PPP practice in South Africa. The execution of such rights is subject to TA3 authority from Treasury.

**Other rights and obligations**

A broad range of rights reflective of PPP practice, as regulated by Treasury under Chapter 16 of the PFMA, will apply. Rights of overhaul are part of the lifecycle maintenance and handover obligations of the Concessionaire, with lifecycle maintenance obligations are clearly specified in the Maintenance Reserve Account (MRA), as an integrated part of the concession agreement.

**Changes in the arrangement occurred during the period.**

No changes in the arrangement occurred during the reporting period.

	<i>Note</i>	<b>2013/14</b>	<b>2012/13</b>
		<b>R'000</b>	<b>R'000</b>
<b>Contract fee paid</b>			
Fixed component		185,224	174,852
Indexed component		27,777	21,384
<b>TOTAL</b>		<b>213,001</b>	<b>196,236</b>

**29.2 Motor vehicles**

<b>Contract fee paid</b>			
Indexed component		2,999	2,999
Pass-through costs		2,149	1,781
<b>TOTAL</b>		<b>5,148</b>	<b>4,780</b>

**the dti** participates in the Department of Transport's Fleet Management contract for the use of its pool vehicles. This agreement is a full maintenance lease transversal contract regulated by the National Treasury PPP unit and Supply Chain Management regulations. **the dti** leases short-term, long-term, chauffeur and point-to-point driven services. The contract term is for five years, which commenced on 1 December 2006, and was extended during 2013 on a month-to-month basis for a period not exceeding 12 months.



### 29.3 PPP commitments

2013/14	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
Not later than one year	196,278	2,000	198,278
Later than one year and not later than five years	910,159	-	910,159
Later than five years	3,462,121	-	3,462,121
<b>TOTAL LEASE COMMITMENTS</b>	<b>4,568,558</b>	<b>2,000</b>	<b>4,570,558</b>

2012/13	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
Not later than one year	185,224	2,000	187,224
Later than one year and not later than five years	856,817	-	856,817
Later than five years	3,674,187	-	3,674,187
<b>TOTAL LEASE COMMITMENTS</b>	<b>4,716,228</b>	<b>2,000</b>	<b>4,718,228</b>

Prior year figure was restated, refer to note 34 (prior period errors).

Note	2013/14 R'000	2012/13 R'000
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### 30. Provisions

Export Marketing and Investment Assistance (EMIA)	136,462	91,323
Co-operative Incentive Scheme (CIS)	15,264	35,881
Black Business Supplier Development Programme (BBSDP)	334,841	353,065
Department of International Relations and Co-operation (DIRCO)	-	27,952
Philip Knight	-	604
<b>TOTAL</b>	<b>486,567</b>	<b>508,825</b>

### 30.1 Reconciliation of movement in provisions – 2013/14

	EMIA	CIS	BBSDP	DIRCO	Total
	R'000	R'000	R'000	R'000	Provisions
Opening balance	91,323	35,881	353,065	28,556	508,825
Increase in provision	280,870	62,869	441,025	-	784,764
Settlement of provision	(219,653)	(75,480)	(291,493)	(20,074)	(606,700)
Unused amount reversed	(27,909)	(8,834)	(168,712)	(8,482)	(213,937)
Change in provision due to change in estimation inputs	11,831	828	956	-	13,615
<b>Closing balance</b>	<b>136,462</b>	<b>15,264</b>	<b>334,841</b>	<b>-</b>	<b>486,567</b>

Provisions for EMIA, CIS and BBSDP relate to incentives that have to be provided for by **the dti**. As from the date **the dti** approves funding, it has an unconditional obligation to pay the preferred supplier on submission of the required claim documents. The preferred supplier can claim the incentive at anytime therefore the timing of the obligation is not known. The amount of the obligation is known as the approval letter, which specifies the maximum amount payable to the grantee.

**the dti** uses the services of DIRCO to assist with the procuring and administration of **the dti** officials based abroad. For the month of March, DIRCO has incurred expenditure on behalf of **the dti**. The exact amount of this expenditure is not known as at reporting date therefore the best estimate of the funds required to settle the present obligation is disclosed.

### 31. Movable Tangible Capital Assets

#### MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2014

	Opening balance	Current- Year Adjust- ments to prior year balances	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
<b>MACHINERY AND EQUIPMENT</b>	<b>120,033</b>	<b>(2,345)</b>	<b>12,009</b>	<b>(7,398)</b>	<b>122,299</b>
Transport assets	8,375	(1,873)	1,355	(1,805)	6,052
Computer equipment	81,479	(195)	7,840	(3,913)	85,211
Furniture and office equipment	24,976	(334)	554	(1,303)	23,893
Other machinery and equipment	5,203	57	2,260	(377)	7,143
<b>TOTAL MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>120,033</b>	<b>(2,345)</b>	<b>12,009</b>	<b>(7,398)</b>	<b>122,299</b>

### 31.1 Additions

#### ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2014

	Cash	Non-cash	Capital work- in- progress current costs and finance lease payments	Received current, not paid (Paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000	R'000
<b>MACHINERY AND EQUIPMENT</b>	<b>12,053</b>	<b>-</b>	<b>(44)</b>	<b>-</b>	<b>12,009</b>
Transport assets	1,355	-	-	-	1,355
Computer equipment	7,840	-	-	-	7,840
Furniture and office Equipment	598	-	(44)	-	554
Other machinery and Equipment	2,260	-	-	-	2,260
<b>TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>12,053</b>	<b>-</b>	<b>(44)</b>	<b>-</b>	<b>12,009</b>

### 31.2 Disposals

#### DISPOSALS OF MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2014

	Sold for cash	Transfer out or destroyed or scrapped	Total disposals	Cash received Actual
	R'000	R'000	R'000	R'000
<b>MACHINERY AND EQUIPMENT</b>	-	(7,398)	(7,398)	
Transport assets	-	(1,805)	(1,805)	-
Computer equipment	-	(3,913)	(3,913)	-
Furniture and office equipment	-	(1,303)	(1,303)	-
Other machinery and equipment	-	(377)	(377)	-
<b>TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS</b>	-	(7,398)	(7,398)	-

### 31.3 Movement for 2012/13

#### MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2013

	Opening balance	Current year adjustments to prior year balances	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
<b>MACHINERY AND EQUIPMENT</b>	<b>105,257</b>	<b>(2,801)</b>	<b>37,022</b>	<b>(19,445)</b>	<b>120,033</b>
Transport assets	8,594	-	2,322	(2,541)	8,375
Computer equipment	60,323	(2,128)	31,609	(8,325)	81,479
Furniture and office equipment	30,789	(332)	2,520	(8,001)	24,976
Other machinery and equipment	5,551	(341)	571	(578)	5,203
<b>TOTAL MOVABLE TANGIBLE ASSETS</b>	<b>105,257</b>	<b>(2,801)</b>	<b>37,022</b>	<b>(19,445)</b>	<b>120,033</b>

### 31.4 Minor assets

#### MOVEMENT IN MINOR ASSETS OF THE DEPARTMENT ENDED 31 MARCH 2014

	Intangible assets	Machinery and equipment	Total
	R'000	R'000	R'000
Opening balance	614	4,412	5,026
Current year adjustments to prior year balances	-	(2)	(2)
Additions	23	253	276
Disposals	(11)	( 585)	(596)
<b>TOTAL</b>	<b>626</b>	<b>4,078</b>	<b>4,704</b>

	Intangible assets	Machinery and equipment	Total
Number of R1 minor assets	-	66	66
Number of minor assets at cost	1,321	2,233	3,598
<b>TOTAL</b>	<b>1,321</b>	<b>2,343</b>	<b>3,664</b>

#### MOVEMENT IN MINOR ASSETS OF THE DEPARTMENT FOR THE YEAR ENDED 31 MARCH 2013

	Intangible assets	Machinery and equipment	Total
	R'000	R'000	R'000
Opening balance	670	5,448	6,118
Additions	-	(208)	(208)
Disposals	8	726	734
Disposals	(64)	(1,554)	(1,618)
<b>TOTAL</b>	<b>614</b>	<b>4,412</b>	<b>5,026</b>

	<b>Intangible assets</b>	<b>Machinery and equipment</b>	<b>Total</b>
Number of R1 minor assets	1	79	80
Number of minor assets at cost	1,326	2,772	4,098
<b>TOTAL</b>	<b>1,327</b>	<b>2,851</b>	<b>4,178</b>

### 32. Intangible capital assets

#### MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2014

	<b>Opening balance</b>	<b>Current Year Adjust- ments to prior year balances</b>	<b>Additions</b>	<b>Disposals</b>	<b>Closing Balance</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>
Computer Software	43,324	-	6,615	(373)	49,566
<b>TOTAL INTANGIBLE CAPITAL ASSETS</b>	<b>43,324</b>	<b>-</b>	<b>6,615</b>	<b>(373)</b>	<b>49,566</b>

### 32.1 Additions

#### ADDITIONS TO INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE PERIOD YEAR ENDED 31 MARCH 2014

	Cash	Non-Cash	Develop- ment work in progress – current costs	Received current year, not paid (Paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000	R'000
Computer Software	6,615	-	-	-	6,615
<b>TOTAL ADDITIONS TO INTANGIBLE CAPITAL ASSETS</b>	<b>6,615</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,615</b>

### 32.2 Disposals

#### DISPOSALS OF INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2014

	Sold for cash	Transfer out or destroyed or scrapped	Total disposals	Cash received Actual
	R'000	R'000	R'000	R'000
<b>INTANGIBLE CAPITAL ASSETS</b>				
Computer software	-	373	373	-
<b>TOTAL DISPOSAL OF INTANGIBLE CAPITAL ASSETS</b>	<b>-</b>	<b>373</b>	<b>373</b>	<b>-</b>



### 32.3 Movement for March 2012/13

#### MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2013

	Opening balance	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000
<b>INTANGIBLE CAPITAL ASSETS</b>				
Computer Software	39,437	3,926	(39)	43,324
<b>TOTAL</b>	<b>39,437</b>	<b>3,926</b>	<b>(39)</b>	<b>43,324</b>

### 33. Agent-principal arrangements

#### 33.1 Department acting as the principal

2013/14

R'000

**Include a list of the entities acting as agents for the department and the amounts paid to these agents for their agency duties:**

National Productivity Institute: Workplace Challenge	13,651
National Research Foundation: Technology and Human Resources for Industry Programme (THRIP)	160,635
Small Enterprise Development Agency: Technology Programme	123,295
Industrial Development Corporation: Support Programme for Industrial Innovation	53,860
INTSIMBI: National Tooling Initiative	54,434
Development Bank of South Africa: Regional Spatial Development Initiatives	9,303
<b>TOTAL</b>	<b>415,178</b>

The entities above are acting as agents for the department and have similar arrangements. These entities carry out some of the functions of the department relating to improving productivity, competitiveness and stimulating the economy.

<i>Note</i>	<b>2013/14</b>	<b>2012/13</b>
	<b>R'000</b>	<b>R'000</b>

### 34. Prior period errors

#### 34.1 Correction of prior period error for secondary information

The comparative amounts in note 20.2 were restated as follows:

Alleged mismanaged funds by ECF	-	(14,800)
<b>Net effect on the note</b>	<b>-</b>	<b>(14,800)</b>

The contingent asset relating to the alleged mismanagement of ECF funds was removed, as NT has clarified that any possible recoveries from these cases would be paid directly into the RDP fund.

The comparative amounts in note 20.1 were restated as follows:

Film and Television Production	-	(3,122)
<b>Net effect on the note</b>	<b>-</b>	<b>(3,122)</b>

There were projects fully paid and some cancelled that should have not appeared in the closing balance.

The comparative amounts in note 24.1 were restated as follows:

PPP Operating lease commitments	-	(4,718,228)
<b>Net effect on the note</b>	<b>-</b>	<b>(4,718,228)</b>

The amounts previously reflected under the operating lease commitments in respect of the PPP agreements have been disclosed under note 29: PPP. This is due to the Modified Cash Standard being silent on the treatment of the PPP commitments. To achieve fair presentation, commitments in respect of the PPP have been included under note 29.

**ANNEXURE 1A****STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS**

DEPARTMENT/ AGENCY/ ACCOUNT	TRANSFER ALLOCATION				TRANSFER		2012/13
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available Funds Transferred	Actual Transfer
	R'000	R'000	R'000	R'000	R'000	%	R'000
Companies and Intellectual Property Tribunal	10,337	-	-	10,337	10,337	100%	10,137
National Consumer Commission	44,516	-	-	44,516	44,516	100%	46,842
National Consumer Tribunal	36,099	-	-	36,099	36,099	100%	33,165
National Credit Regulator	60,691	-	3,000	63,691	63,691	100%	57,931
National Gambling Board	27,717	-	-	27,717	27,717	100%	26,057
National Metrology Institute of South Africa	85,942	-	-	85,942	85,942	100%	82,233
National Productivity Institute: Workplace Challenge	13,651	-	-	13,651	13,651	100%	8,200
National Regulator for Compulsory Specifications	103,000	-	-	103,000	103,000	100%	79,684
National Research Foundation: Technology and Human Research for Industry Programme	161,630	-	-	161,630	160,635	99%	157,000
South African National Accreditation System	33,473	-	-	33,473	33,473	100%	30,676
Small Enterprise Development Agency	525,371	-	-	525,371	525,371	100%	441,570
Small Enterprise Development Agency Technology Programme	123,295	-	-	123,295	123,295	100%	153,000
National Metrology Institute of South Africa: Infrastructure	60,000	-	-	60,000	60,000	100%	-
Independent Regulatory Board of Auditors	-	-	-	-	-	-	1,500
<b>TOTAL</b>	<b>1,285,722</b>	<b>-</b>	<b>3,000</b>	<b>1,288,722</b>	<b>1,287,727</b>	<b>99%</b>	<b>1,127,995</b>

**ANNEXURE 1B****STATEMENT OF TRANSFERS TO HIGHER EDUCATION INSTITUTIONS**

	TRANSFER ALLOCATION				TRANSFER			2012/13
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	Amount not transferred	% of Available Funds Transferred	Actual Transfer
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000
<b>UNIVERSITY/TECHNIKON</b>								
Witwatersrand Business School: Centre for Entrepreneurship	1	-	-	1	-	1	-	-
North-West University: Advanced Manufacturing Skills Sector Support Centre	1	-	-	1	-	1	-	10,200
University of Witwatersrand: National Aerospace Skills Sector Support Centre	1	-	-	1	-	1	-	12,400
University of Pretoria: Advanced Engineering Centre of Excellence	1	-	-	1	-	1	-	-
University of Johannesburg: CAPA	12,830	-	-	12,830	12,830	-	100%	10,000
<b>TOTAL</b>	<b>12,834</b>	<b>-</b>	<b>-</b>	<b>12,834</b>	<b>12,830</b>	<b>4</b>	<b>99%</b>	<b>32,600</b>

**ANNEXURE 1C****STATEMENT OF TRANSFERS/SUBSIDIES TO PUBLIC CORPORATIONS AND PRIVATE ENTERPRISES**

NAME OF PUBLIC CORPORATION/PRIVATE ENTERPRISE	TRANSFER ALLOCATION				EXPENDITURE				2012/13
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available Funds Transferred	Capital	Current	Actual Transfer
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
<b>Public Corporations</b>									
<b>Transfers</b>									
Centurion Aerospace Village	15,800	-	-	15,800	15,800	100%	-	15,800	15,000
Council for Scientific and Industrial Research: Fibre and Textile Centre of Excellence	1,501	-	-	1,501	1,500	99%	-	1,500	2,000
Council for Scientific and Industrial Research: Aerospace Industry	21,226	-	-	21,226	21,226	100%	21,226	-	21,352
Council for Scientific and Industrial Research: National Cleaner Production Centre	43,678	-	-	43,678	43,678	100%	-	43,678	41,225
Development Bank of Southern Africa: Regional Spatial Development Initiatives	16,605	-	(3,336)	13,269	9,303	70%	-	9,303	18,500
Export Credit Insurance Corporation	73,293	-	-	73,293	73,293	100%	-	73,293	24,307

NAME OF PUBLIC CORPORATION/PRIVATE ENTERPRISE	TRANSFER ALLOCATION				EXPENDITURE				2012/13
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available Funds Transferred	Capital	Current	Actual Transfer
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
Industrial Development Corporation: Clothing and Textile Production Incentive	682,425	-	-	682,425	682,425	100%	-	682,425	750,000
Industrial Development Corporation Customised Sector Programmes	140,366	-	-	140,366	140,366	100%	-	140,366	56,470
Industrial Development Corporation: Funds for Research into Industrial Development Growth and Equity	680	-	-	680	650	96%	-	650	650
Industrial Development Corporation: Isivande Women's Fund	1,000	-	-	1,000	-	-	-	-	-
Industrial Development Corporation: Support Programme for Industrial Innovation	53,860	-	-	53,860	53,860	100%	53,860	-	52,740
Industrial Development Corporation: Technology Venture Capital	1	-	-	1	-	-	-	-	5,000
INTSIMBI: National Tooling Initiative	54,434	-	-	54,434	54,434	100%	-	54,434	49,168
(CSIR) National Foundry Technology Network: Metals	21,194	-	-	21,194	14,130	67%	-	14,130	21,000
ProTechnik Laboratories (Capital)	1,855	-	-	1,855	1,855	100%	1,855	-	1,400

NAME OF PUBLIC CORPORATION/PRIVATE ENTERPRISE	TRANSFER ALLOCATION				EXPENDITURE				2012/13
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available Funds Transferred	Capital	Current	Actual Transfer
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
ProTechnik Laboratories (Current)	2,832	-	-	2,832	2,832	100%	-	2,832	2,398
South African Bureau of Standards: Plant Infrastructure	-	-	-	-	-	-	-	-	48,000
South African Bureau of Standards: Research Contribution	204,967	-	-	204,967	204,966	99%	-	204,966	185,930
South African Bureau of Standards: Small Business Technical Consulting	1,482	-	-	1,482	1,477	100%	-	1,477	1,203
<b>Subsidies</b>									
Business Process Service Incentive	270,000	-	8,495	278,495	278,495	100%	-	278,495	163,969
Enterprise Investment Programme	850,698	-	287,045	1,137,743	1,137,620	99%	-	1,137,620	921,947
Film and Television Production Incentives	340,000	-	(63,495)	276,505	276,505	100%	-	276,505	254,660
Manufacturing Competitiveness Enhancement Programme	1,500,000	-	(450,000)	1,050,000	991,444	94%	-	991,444	914,911
Small and Medium Enterprise Development Programme	13,353	-	45	13,398	13,397	99%	-	13,397	33,352
<b>TOTAL</b>	<b>4,311,250</b>	<b>-</b>	<b>(221,246)</b>	<b>4,090,004</b>	<b>4,019,256</b>	<b>98%</b>	<b>76,941</b>	<b>3,942,315</b>	<b>3,585,182</b>



NAME OF PUBLIC CORPORATION/PRIVATE ENTERPRISE	TRANSFER ALLOCATION				EXPENDITURE				2012/13
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available Funds Transferred	Capital	Current	Actual Transfer
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
<b>Private Enterprises</b>									
<b>Transfers</b>									
Export Market and Investment Assistance	219,000	-	55,000	274,000	273,818	99%	-	273,818	182,000
Automotive Production and Development Programme: Production Allowance	655,000	-	162,920	817,920	817,838	99%	-	817,838	823,668
Black Business Supplier Development Programme	280,000	-	11,494	291,494	291,493	99%	-	291,493	129,452
Co-operatives Incentive Scheme	87,000	-	(11,494)	75,506	75,480	99%	-	75,480	64,979
Other Critical Infrastructure Programme Project	140,000	-	-	140,000	139,968	99%	139,968	-	131,597
Trade and Industry Policy Strategies	6,000	-	-	6,000	6,000	100%	-	6,000	-
<b>Subsidies</b>									
Coega Development Corporation	308,195	-	-	308,195	308,195	100%	308,195	-	417,858
East London Industrial Development Zone Company	100,000	-	-	100,000	100,000	100%	100,000	-	150,000

NAME OF PUBLIC CORPORATION/PRIVATE ENTERPRISE	TRANSFER ALLOCATION				EXPENDITURE				2012/13
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available Funds Transferred	Capital	Current	Actual Transfer
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
Richards Bay Industrial Development Zone (Pty) Ltd	30,000	-	-	30,000	30,000	100%	30,000	-	182,018
Special Economic Zones: Investment Incentives	450,000	-	-	450,000	449,200	99%	449,200	-	5,000
	<b>2,275,195</b>	-	<b>217,920</b>	<b>2,493,115</b>	<b>2,491,992</b>	<b>99%</b>	<b>1,027,363</b>	<b>1,464,629</b>	<b>2,086,572</b>
<b>TOTAL</b>	<b>6,586,445</b>	-	<b>(3,326)</b>	<b>6,583,119</b>	<b>6,511,248</b>	<b>99%</b>	<b>1,104,304</b>	<b>5,406,944</b>	<b>5,671,754</b>

**ANNEXURE 1D****STATEMENT OF TRANSFERS TO FOREIGN GOVERNMENT AND INTERNATIONAL ORGANISATIONS**

FOREIGN GOVERNMENT/INTERNATIONAL ORGANISATION	TRANSFER ALLOCATION				EXPENDITURE		2012/13
	Adjusted Appropriation Act	Roll overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Actual Transfer
	R'000	R'000	R'000	R'000	R'000	%	R'000
<b>Transfers</b>							
World Trade Organisation	10,023	-	3,500	13,523	13,227	98%	10,221
Organisation for the Prohibition of Chemical Weapons	4,220	-		4,220	3,642	86%	2,924
United Nations Industrial Development Organisation	5,275	-	1,000	6,275	5,853	93%	4,789
International Bank for Reconstruction and Development	4,900	-	-	4,900	4,900	100%	6,169
International Finance Corporation	4,900	-	-	4,900	4,900	100%	6,169
World Intellectual Property Organisation	4,220	-	-	4,220	4,215	100%	3,362
United Nations Industrial Development Organisation: Incentive Monitoring Framework	-	-	-	-	-	-	3,710
Council for Geoscience	1,000	-	(164)	836	835	99%	-
<b>TOTAL</b>	<b>34,538</b>	<b>-</b>	<b>4,336</b>	<b>38,874</b>	<b>37,572</b>	<b>96%</b>	<b>37,344</b>

**ANNEXURE 1E****STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS**

	TRANSFER ALLOCATION				EXPENDITURE		2012/13
	Adjusted Appropriation Act	Roll overs	Adjustments	Total Available	Actual Transfer	of % Available funds Transferred	Actual Transfer
	R'000	R'000	R'000	R'000	R'000	%	R'000
<b>NON-PROFIT INSTITUTIONS</b>							
<b>Transfers</b>							
South African Women Entrepreneurs' Network	8,335	-	-	8,335	8,335	100%	7,900
Proudly South African Campaign	19,550	-	-	19,550	18,550	95%	16,000
<b>TOTAL</b>	<b>27,885</b>	<b>-</b>	<b>-</b>	<b>27,885</b>	<b>26,885</b>	<b>96%</b>	<b>23,900</b>

**ANNEXURE 1F****STATEMENT OF TRANSFERS TO HOUSEHOLDS**

	TRANSFER ALLOCATION				EXPENDITURE		2012/13
	Adjusted Appropriation Act	Roll-overs	Adjustments	Total Available	Actual Transfer	of Available funds Transferred	Actual transfer
	R'000	R'000	R'000	R'000	R'000	%	R'000
<b>HOUSEHOLDS</b>							
<b>Transfers</b>							
Employee social benefits	323	-	1,324	1,647	1,479	90%	1,787
Social Assistance	-	-	171	171	73	43%	266
Bursaries	1,900	-	504	2,404	2,403	99%	2,584
<b>TOTAL</b>	<b>2,223</b>	<b>-</b>	<b>1,999</b>	<b>4,222</b>	<b>3,955</b>	<b>94%</b>	<b>4,637</b>

**ANNEXURE 1G****STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED**

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2013/14	2012/13
		R'000	R'000
<b>Received in kind</b>			
Ndalo Media	Celebration of International Men's Day – magazines	-	6
Media 24	Celebration of International Men's Day – magazines	-	10
United Nations Conference on Trade Development (UNCTAD)	Approval to accompany Minister to Geneva – air tickets	-	47
Alpha Consulting	Gifts as gesture for active participation in Contract Centre seminar – notebooks	-	8
United Nations Conference on Trade Development (UNCTAD)	Approval to participate and present in the Global Services Forum – travel, accommodation etc.	-	14
Friendrich Ebert Stiftung	Attend ICTS Ministers and DG meeting – flight and accommodation	-	10
Organisation for the Prohibition of Chemical Weapons (OPCW)	Attend 10th regional meeting of National Authorities of States Parties – flights, accommodation, allowance and incidental cost	-	24
Australia Awards in Africa	Attend International Diplomacy course – flights, accommodation and tuition	-	279
Trade Policy Training Centre	Attend COMESA-EAC-SADC tripartite training – flights, accommodation and allowance	-	12
Australia Awards in Africa	Attend trade policy design analysis and negotiations – flights, accommodation and tuition	-	832
World Trade Organisation (WTO)	Attend and participate in the WTO Intermediate level training for English-speaking African countries – flights, accommodation etc.	-	77
International Development Law Organisation (IDLO)	Accept scholarship and attend the Technology Licensing for Development Countries course – tuition cost, maintenance cost and accommodation	-	45

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2013/14	2012/13
		R'000	R'000
Federation of Multimedia Associations	Attend and participate in the World Summit on Internet and Multimedia 2012 – air ticket, accommodation etc.	-	51
Swedish International Development Cooperation Agency	Swedish training programme: Rules of Origin and Trade Facilitation for one year – accommodation, training cost, training material for six officials	-	1,110
International Economic Association (IEA) and World Bank	Present a paper at the International Economic Association (IEA) World Bank Roundtable on “New Thinking in Industry Policy” – travel cost and accommodation	-	57
United Nations Environment Programme (UNEP)	Attend the Food and Agriculture Organisation/United Nations Environment Programme Agri-Food Task Force on sustainable consumption and production meeting – travel cost and accommodation	-	25
Gesellschaft fur International Zusammenarbeit (GIZ)	Participate in the GIZ SAGEN study tour to assist South African wind energy stakeholders – sponsored study tour	-	17
International Atomic Energy Agency (IAEA)	Attend a training course on Technical Aspects on the Feasibility, Contracting and Construction of Nuclear Power Plants – sponsored training course	-	23
Korean Government	Approval to attend a training course – air ticket and accommodation	-	22
Gesellschaft fur International Zusammenarbeit (GIZ)	Participate in the training course on Inter-departmental Co-ordination of Renewable Energy Project Permitting Processes – sponsored study tour	-	14
Johannesburg Centre for Software Engineering (JCSE)	Attend the Team Software Process Symposium – symposium registration fees	-	7
Florida State University, Tallahassee, USA	Attend and participate in the conference “Emerging markets and the world patent order” – air ticket and accommodation	-	26
North West University	Payment of registration fee for Extr Africa 2012 – registration fee, accommodation and transport	-	9
Italian Trade Commission	To partake in the Italian Trade Commission study tour – study tour expenses	-	80

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2013/14	2012/13
		R'000	R'000
CBI Electric	Attend a training course offered by CBI Electric – transport cost	-	5
World Intellectual Property Organisation (WIPO)	Part payment for TJ Production for interpretation and transcription for Patents Flexibilities Conference – interpretation and transcription	-	48
SAB Ltd	Attend SAB Ltd Heritage tour	-	17
Academy for International Business Officials	Participate in the Trade and Investment for African English speaking countries – flights, accommodation etc.	-	40
Academy for International Business Officials	Participate in the AIBO training seminar on processing Trade for Developing countries – flights, accommodation etc.	-	100
Academy for International Business Officials	Participate in the AIBO training seminar on International Business Negotiation ability improvement for developing countries – flights, accommodation etc.	-	50
Italian Trade Commission	Participate in study tour as phase two of the Small and Medium Enterprise Development in Science, Technology and Renewable Energy Training course – study tour expenses	-	95
Academy for International Business Officials	Attend seminar for International Economic Trade Professionals of Developing Countries – air ticket, accommodation etc.	-	120
Academy for International Business Officials	Participate in the Academy for International Business Officials training seminar on Business Investment and Risk Management – air tickets, accommodation etc.	-	40
Academy for International Business Officials	Attend seminar on Foreign Investment Utilisation and Industry Safety for Developing countries – air ticket, accommodation etc.	-	80
Academy for International Business Officials	Attend a seminar on Business Investment and Risk Management for Developing countries – air tickets, accommodation etc.	-	80
Academy for International Business Officials	Participate in the seminar on Import and Export Trade and Developing Countries – air tickets, accommodation etc.	-	80



NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2013/14	2012/13
		R'000	R'000
Academy for International Business Officials	Attend seminar for the promotion of Trade and Investment of Inland Region for Developing Countries – air ticket, accommodation and transport	-	40
Australian Awards in Africa	Study towards Master's Degree in International Trade and Development – tuition fees, accommodation etc.	-	50
Indian Technical and Economic Cooperation (ITEC)	Approval to participate in the Cluster Development Executives Programme – air tickets, accommodation etc.	-	160
Indian Technical and Economic Cooperation (ITEC)	Approval to participate in Industrial and Infrastructure Project Preparation and Appraisal – air tickets, accommodation etc.	-	80
Singapore Cooperation Programme	Attend a Strategic IT Planning course – training cost	-	40
Xinfei Textiles	Acceptance of gifts during site visit during China Expo – two x IPAD: 16 GB Wifi	-	10
Louis Morgan	Acceptance of gifts – two x IPAD	-	18
United Nations Economic Commission for Europe	Attend and participate in the UNECE regional training workshop in collaboration with UNCTAD travel costs	14	-
Government of Finland and Tanzania	Attend and participate in the seminar on improving the international investment regime – accommodation	12	-
Organisation for the Prohibition of Chemical Weapons (OPCW)	Attend the 11 <sup>th</sup> regional meeting of National Authorities of State Parties – travel costs	29	-
International Development Law Organisation (IDLO)	Attend the scholarship programme regarding technology licensing for developing countries – tuition, accommodation etc.	41	-
UNCTAD	Attend and participate in the regional meeting on promoting services sector development and trade-led growth in Africa – air ticket and accommodation	15	-
Organisation for the Prohibition of Chemical Weapons	Attend a training course for National Authorities of State Parties – travel cost	25	-

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2013/14	2012/13
		R'000	R'000
Organisation for the Prohibition of Chemical Weapons	Attend workshop on Article XI – travel cost	18	-
US Government Department of Commerce	Attend the Security and Strategic Management Academy – tuition costs	55	-
Organisation for the Prohibition of Chemical Weapons	Attend the 15th Annual Meeting of National Authorities – travel costs	20	-
Centre for Conflict Resolution	Attend Centre for Conflict Resolution Policy Research seminar – travel cost etc.	8	-
Walvis Bay Corridor Group	Attend the PAP Southern Caucus Workshop on Infrastructure and Development – accommodation	5	-
Robert Koch Institute and German Foreign Service	Attend workshop on further evaluation of the functional sub-units approach to investigate alleged use of biological weapons – flight, accommodation and meals	20	-
Public Citizen's Global Trade Watch	Attend and participate in the Investor-State Strategy session – accommodation, meals and transport	28	-
World Trade Organisation (WTO)	Attend WTO Advanced Thematic Course on the agreement on technical barriers to trade – flight, accommodation and subsistence	59	-
US Government Department of Energy	Attend the Kenyan commodity identification training – flight, accommodation and subsistence	52	-
World Trade Organisation (WTO)	Attend WTO regional workshop on technical barriers on trade for English speaking African countries – flight, accommodation etc.	12	-
International Centre for Trade and Sustainable Development (ICTSD)	Attend and participate in a dialogue on the economic partnership agreement negotiations – flight, accommodation, transport and meals	12	-
Centre for Conflict Resolution (CCR)	Attend and participate in a seminar on South Africa, Africa and International Investment Agreements – flight, accommodation etc.	12	-

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2013/14	2012/13
		R'000	R'000
Government of the United States of America and the United Arab Emirates	Participate in the 14 <sup>th</sup> International Export Control Conference – flight, accommodation etc.	24	-
World Trade Organisation (WTO), World Intellectual Property Organisation (WIPO)	Attend advanced course on Intellectual Property for government officials – flight, accommodation etc.	86	-
European Club for Countertrade and Offset (ECCO)	Attend the Countertrade and Offset Academy Advance Management Programme – registration fee	139	-
United Nations Conference on Trade Development (UNCTAD)	Participate in the multi-year expert meeting on international co-operation – travel cost	60	-
United Nations Industrial Development Organisation (UNIDO)	Attend the 20 <sup>th</sup> AU conference of Ministers of Industry – flight tickets, accommodation etc.	21	-
Chinese Embassy	Participate at the training course on Clothing Techniques for developing countries – registration fees, travel cost and accommodation	26	-
United Nations Environment Programme (UNEP)	Attend the Agri-Food Task Force meeting – travel costs	36	-
United Nations Industrial Development Organisation (UNIDO)	Attend the Global Executive Programme on “The future of manufacturing” – travel costs	45	-
Canadian Hydrogen and Fuel Cell Association (CHFCA)	Participate in the Hydrogen and Fuel Cells 2013 conference – travel costs	35	-
Gesellschaft fur International Zusammenarbeit (GIZ)	Attend the Wind Energy and Bio-Energy training – training programme, flights and accommodation	65	-
United Nations Industrial Development Organisation (UNIDO)	Attend a short course on “Green Industry” – tuition and travel costs	30	-

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2013/14	2012/13
		R'000	R'000
Africa Development Bank	Participate in the seminar Africa Pharmaceutical Summit – air ticket and accommodation	34	-
Government of Singapore	Attend a Public Financial Management course – accommodation, per diem and training cost	20	-
International Atomic Energy Agency (IAEA)	Attend training course on Engineering Procurement and Construction – air ticket, accommodation training	51	-
Chinese Embassy	Attend training on skills upgrading programme on Textile and Clothing Technique – airfare and accommodation	83	-
United Nations Industrial Development Organisation (UNIDO)	Participate in the UNIDO-sponsored Sustainable Energy Leadership Programme – flight, accommodation and transport	23	-
Regional Economic Integration Support (REIS) programme	Attend the SADC Technical Regulation Liaison Committee Expert Working Group meeting – travel and accommodation	31	-
Gesellschaft fur International Zusammenarbeit (GIZ)	Participate in a Co-generation Study Tour – air ticket and accommodation	32	-
Minster of Environment in Dubai (UAE Government)	Participate in the Partnership for Action on Green Economy (PAGE) – air ticket and accommodation	21	-
Swedish International Development Co-operation Agency	Attend the Copyright and Related Rights in the Global Economy course – flights, accommodation and meals	55	-
Australian Awards in Africa	Study towards Master Degree in International Trade and Development – tuition fees, accommodation etc.	200	-
Gordon Institute of Business (GIBS)	Attend the Business of Africa Programme – flights, accommodation etc.	69	-
Lonmin	Travel to Japan and China for Japan Sustainable Mining, Investment and Technology Business Forum and site visits with Lonmin potential partners in China – travel costs etc.	36	-
Mining Indaba	Attend the Mining Indaba in Cape Town – registration fees	20	-

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2013/14	2012/13
		R'000	R'000
Canadian Hydrogen and Fuel Cell Association (CHFCA)	Participate in the Hydrogen and Fuel Cells 2013 conference – travel costs	70	-
Institute of Developing Economies Advanced School (IDEAS – Japan Jetro)	Attend an overseas fellows training programme in development studies – air ticket, accommodation and tuition	386	-
Miscellaneous		11	9
<b>TOTAL</b>		<b>2,146</b>	<b>3,967</b>

**ANNEXURE 1H****STATEMENT OF LOCAL AND FOREIGN AID ASSISTANCE RECEIVED**

NAME OF DONOR	PURPOSE	OPENING BALANCE R'000	SURREND- ERED	REVENUE R'000	EXPENDI- TURE R'000	CLOSING BALANCE R'000
<b>Received in cash</b>						
Economic Creation/Sector	To create long-term sustainable employment	339,271	(339,271)	-	(4,063)	(4,063)
Sector-Wide Enterprise Employment and Equity Programme (SWEEEP)	To increase employment and greater social and economic equity and integration	53,800	(53,800)	53,800	(17,320)	36,480
Development Bank of Southern Africa Ltd	To promote employer-led skills development, which leads to employment in the Business Process Services sector	36,043	-	11,911	(46,321)	1,633
<b>TOTAL</b>		<b>429,114</b>	<b>(393,071)</b>	<b>65,711</b>	<b>(67,704)</b>	<b>34,050</b>

**ANNEXURE 11****STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS MADE AND REMISSIONS, REFUNDS AND PAYMENTS MADE AS AN ACT OF GRACE**

<b>NATURE OF GIFT, DONATION OR SPONSORSHIP</b> <b>(Group major categories but list material items including name of organisation)</b>	<b>2013/14</b>	<b>2012/13</b>
	<b>R'000</b>	<b>R'000</b>
Stephen Timm (support for the research project)	-	13
Dichrimo Trading and projects (food parcels for Mandela Day)	-	28
Kit Kat Cash and Carry (blankets for Mandela Day)	-	16
Atteridgeville Association for people with Disabilities (Assistance to purchase equipment)	-	25
Cape Chamber of Commerce and Industry: Cape Town Chamber of Commerce and Industry hosting the Annual International Women Entrepreneurial Challenge (sponsor the event)	-	100
Black Business Council (sponsor Ambassadors lunch)	-	100
South African Small and Medium Enterprise Federation (sponsor rollout MDEF business incubators and testing of Tswelela model to develop agri-value chains)	-	100
SMME Credit Support Programme (sponsor the case study of the Small and Medium Enterprise Rating Agency of India)	-	50
Western Cape SA Students Congress (sponsor catering services for 150 students)	-	20
Saldanha Hotel Properties (Pty) Ltd (sponsor of launch)	-	40
Alexandra Chamber of Commerce (co-ordination of a database of local enterprises and strengthening of the chambers administrative capacity)	-	100
University of South Africa (sponsor of conference)	-	100
Nomalizo Constance Mbele (contribution to the choir)	-	5
TL Nqini family (bereavement benefit)	4	-

NATURE OF GIFT, DONATION OR SPONSORSHIP (Group major categories but list material items including name of organisation)	2013/14	2012/13
	R'000	R'000
Father Michael D'Annucci Health Care (donation for establishment of library)	10	-
Family of Mr A Kapane (bereavement benefit)	4	-
Institution for African Alternatives (sponsor of conference)	100	-
Zolani Mkiva (research towards developing the establishment of gallery and a heritage curio shop)	50	-
Congress of South African Trade Unions (catering and sound equipment)	93	-
Milton Malacheus Damian Haines (cash prize as an award of recognition)	10	-
Sabelo Stanley Mbhele (cash prize as an award of recognition)	10	-
Lazarus Makena (cash prize as an award of recognition)	10	-
Khumo Branding and Marketing Solutions (Support 13 SMMEs in the Maritime Sector)	96	-
JHB Kumalo (bereavement benefit)	4	-
S Hlapane (bereavement benefit)	4	-
Alexandra Chamber of Commerce (organisational capacity development)	100	-
Ledibohong Trading (donation of books and toys to orphanage)	64	-
<b>Sub-total</b>	<b>559</b>	<b>697</b>
<b>Made in kind</b>		
<b>the dti:</b> Attend NPRC meeting and Council meeting (accommodation and travel)	-	12
<b>the dti:</b> Speaker in the Dispute Settlement Workshop (accommodation and travel)	-	8
<b>the dti:</b> ICASA official to attend WTO Trade in Service Cluster meeting (flight, accommodation etc.)	-	32
<b>the dti:</b> Attend the second expert meeting on incapacitation chemical agents (flights, accommodation etc.)	-	42
<b>the dti:</b> Attend NPRC meeting and NMDUC meeting (accommodation and travel)	-	9



<b>NATURE OF GIFT, DONATION OR SPONSORSHIP</b> <b>(Group major categories but list material items including name of organisation)</b>	<b>2013/14</b>	<b>2012/13</b>
	<b>R'000</b>	<b>R'000</b>
Orlando East Arts and Craft Cooperative: Strategic retreat and team building workshop (gifts as token of appreciation to employees)	-	11
Kea-Nthabi's African Design (gifts for trade initiative missions)	-	10
<b>the dti:</b> Ambassador to attend and chair the council meeting (travel and accommodation)	-	122
<b>the dti:</b> TWIB awards and Gauteng Technogirl Entrepreneurship programme (desktop and laptops)	-	77
<b>the dti:</b> Attend meeting with DDG relating Arts and Culture Distribution Agency (flight and chauffeur services)	-	7
<b>the dti:</b> External stakeholders to attend National Liquor Authority Youth campaign (transport)	-	97
Kea-Nthabi's African Design (gifts for foreign visitors)	-	10
Kura – Bahati Consulting Services: Gifts for counterparts (corporate gifts)	-	118
Ezesimanje Events: TWIB awards (trophies)	-	67
<b>the dti:</b> External stakeholders to attend the Liquor Regulators Conference (transport and accommodation)	-	18
<b>the dti:</b> Foreign delegates attend Seminar for Certain African Countries on Patents (transport)	-	12
<b>the dti:</b> External stakeholders as panel members at the African IP Forum (transport and accommodation)	-	140
<b>the dti:</b> External stakeholders to present at the African IP Forum (transport and accommodation)	-	12
<b>the dti:</b> External stakeholders to attend the African IP Forum (transport)	-	134
<b>the dti:</b> External stakeholders for speakers at the Company Law Symposium (transport and accommodation)	-	38
<b>the dti:</b> External stakeholders to present at the African IP Forum (transport)	-	10
Pitco Busby (Pty) Ltd: First Assistance and Protection course for Instructors for African States Parties (backpacks and cooler bags)	-	10
<b>the dti:</b> Attend the Budget Vote: Technogirls winning schools and adjudicators (travel, accommodation etc.)	209	-
<b>the dti:</b> External delegates to attend preparatory meeting (accommodation etc.)	74	-
<b>the dti:</b> External delegates to attend the National Liquor Authority Youth Month Campaign (transport)	50	-

NATURE OF GIFT, DONATION OR SPONSORSHIP (Group major categories but list material items including name of organisation)	2013/14	2012/13
	R'000	R'000
the dti: Attend training on skills upgrading programme (visa application fees for participants from industry)	8	-
Solid MMS Projects and Consulting: Gifts for counterparts (corporate gifts)	235	-
Triple N Promotions (gifts for the Northern Cape Techno-Girl Entrepreneurship Programme)	19	-
Theo Sefolo Trading CC T/A TS Promotions (corporate gifts for the Limpopo Techno-Girl Entrepreneurship Programme)	20	-
Amadiya Projects (procure soccer and netball kits for youth in two rural communities in Limpopo)	43	-
Gcinani Events Management (gifts for token of appreciation for participation and stakeholders on various projects)	124	-
Miscellaneous (exchange gifts with counterparts and business executive etc.)	39	29
<b>Sub-total</b>	<b>821</b>	<b>1,025</b>
<b>TOTAL</b>	<b>1,380</b>	<b>1,723</b>

**ANNEXURE 2A****STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2014 – LOCAL**

Guarantor institution	Guarantee in respect of	Original guaranteed capital amount	Opening balance 1 April 2013	Guarantees draw downs during the year	Guarantees repayments/ cancelled/ reduced/ released during the year	Revaluations	Closing balance 31 March 2014	Guaranteed interest for year ended 31 March 2014	Realised losses not recoverable i.e. claims paid out
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Standard Bank	Housing	80	80	-	-	-	80	-	-
Nedbank Limited	Housing	39	-	39	-	-	39	-	-
ABSA	Housing	185	-	185	-	-	185	-	-
<b>TOTAL</b>		<b>304</b>	<b>80</b>	<b>224</b>	<b>-</b>	<b>-</b>	<b>304</b>	<b>-</b>	<b>-</b>

**ANNEXURE 2B****STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2014**

<b>Nature of Liability</b>	<b>Opening Balance 1 April 2013 R'000</b>	<b>Liabilities incurred during the year R'000</b>	<b>Liabilities paid/cancelled/ reduced during the year R'000</b>	<b>Liabilities recoverable (Provide details hereunder) R'000</b>	<b>Closing Balance 31 March 2014 R'000</b>
<b>Claims against the department</b>					
<b>Legal claims:</b>					
Witwatersrand Investment CC t/a Olympic Plastics	3,080	-	-	-	3,080
Frey's Foods	1,627	-	-	-	1,627
Porcor SMEDP	2,326	-	-	-	2,326
TEO: Porcor	710	-	-	-	710
TEO: CTM International	1,536	-	-	-	1,536
Lucas Ndema	-	3,750	-	-	3,750
Winterton Processors (Pty) Ltd	1,857	-	-	-	1,857
Mr A Poinsteau	1,524	-	1,524	-	-
Primolitos CC	2,119	-	-	-	2,119
Portion Control packers CC	1,707	-	-	-	1,707
Signature Branding Trading CC	1,311	-	-	-	1,311
Tayfin Financial Accountants Pty Ltd	434	-	434	-	-
Madelein van Rooyen	-	856	-	-	856
<b>Incentive grant claims:</b>					
Automotive Incentive Scheme (AIS)	1,604,329	2,407,475	837,625	-	3,174,179

<b>Nature of Liability</b>	<b>Opening Balance 1 April 2013 R'000</b>	<b>Liabilities incurred during the year R'000</b>	<b>Liabilities paid/cancelled/ reduced during the year R'000</b>	<b>Liabilities recoverable (Provide details hereunder) R'000</b>	<b>Closing Balance 31 March 2014 R'000</b>
Business Process Services (BPS)	258,151	302,143	298,287	-	262,007
Film and Television Production	413,090	547,545	363,951	-	596,684
Enterprise Investment Programme (EIP)	4,092,308	1,620,782	2,215,752	-	3,497,338
Critical Infrastructure Programme (CIP)	237,792	185,873	244,622	-	179,043
Small Medium and Micro Enterprises Development Programme (SMEDP) <sup>1</sup>	22,149	10,644	32,793	-	-
Capital Project Feasibility Programme (CPFP)	24,241	193,599	62,136	-	155,704
Manufacturing Competitive Enhancement Programme (MCEP)	943,813	3,173,097	1,090,148	-	3,026,762
Incubator Support Programme (ISP)	168,632	513,812	39,674	-	642,770
Aquaculture Development Enhancement Programme (AEDP)	-	92,777	6,743	-	86,034
<b>Other claims:</b>					
Rainprop	2,292	-	-	-	2,292
<b>TOTAL</b>	<b>7,785,028</b>	<b>9,052,353</b>	<b>5,193,689</b>	<b>-</b>	<b>11,643,692</b>

<sup>1</sup>Prior year figure was restated by R56 985.00 as a result of an error discovered in the current financial year.

**ANNEXURE 3****CLAIMS RECOVERABLE**

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2014	31/03/2013	31/03/2014	31/03/2013	31/03/2014	31/03/2013
	R'000	R'000	R'000	R'000	R'000	R'000
Department of Agriculture Forestry and Fisheries	-	-	-	11	-	11
Department of Environmental Affairs	-	4	-	-	-	4
Department of Economic Development	-	-	332	153	332	153
Department of Education: Northern Cape	38	-	-	-	38	-
Department of Health	-	-	-	47	-	47
Department of International Relations and Co-operation	-	-	-	36	-	36
Department of Public Works	-	-	-	1	-	1
Department of Tourism	-	-	-	3	-	3
Gauteng Economic Development	-	-	-	31	-	31
Government Pension Administration Agency	-	-	-	8	-	8
Provincial Government: Limpopo	-	-	-	8	-	8
The Presidency	-	-	-	1	-	1
<b>Sub-total</b>	<b>38</b>	<b>4</b>	<b>332</b>	<b>299</b>	<b>370</b>	<b>303</b>
<b>Other Government Entities</b>						
Competition Commission	-	-	1,064	409	1,064	409
Companies Tribunal	-	-	3	147	3	147
Competition Tribunal	-	-	5	-	5	-
Export Credit Insurance Corporation	-	-	4	3	4	3
Khula Enterprise Finance Ltd	-	-	52	52	52	52

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2014	31/03/2013	31/03/2014	31/03/2013	31/03/2014	31/03/2013
	R'000	R'000	R'000	R'000	R'000	R'000
National Gambling Board	-	-	-	12	-	12
National Lotteries Board	-	-	51	51	51	51
SAMAF	-	-	17	17	17	17
South African Quality Institution	-	-	584	584	584	584
United Nations Industrial Development	-	-	17	10	17	10
Small Enterprise Development Agency	-	-	18,683	3	18,683	3
<b>Sub-total</b>	-	-	<b>20,480</b>	<b>1,288</b>	<b>20,480</b>	<b>1,288</b>
<b>TOTAL</b>	<b>38</b>	<b>4</b>	<b>20,812</b>	<b>1,587</b>	<b>20,850</b>	<b>1,591</b>

**ANNEXURE 4****INTER-GOVERNMENT PAYABLES**

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL	
	31/03/2014	31/03/2013	31/03/2014	31/03/2013	31/03/2014	31/03/2013
	R'000	R'000	R'000	R'000	R'000	R'000
<b>DEPARTMENTS</b>						
Department of Tourism	-	-	-	1	-	1
<b>Sub-total</b>	-	-	-	1	-	1
<b>OTHER GOVERNMENT ENTITY</b>						
<b>Current</b>						
Companies and Intellectual Property Commission	-	-	490	676	490	676
International Trade Administration Commission SA	-	-	2	20	2	20
National Gambling Board	-	-	-	-	-	-
South African National Accreditation System	-	-	11	4	11	4
<b>Sub-total</b>	-	-	503	700	503	700
<b>TOTAL</b>	-	-	503	701	503	701



## ANNEXURE 5

### INTER-ENTITY ADVANCES PAID (note 13)

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL	
	31/03/2014	31/03/2013	31/03/2014	31/03/2013	31/03/2014	31/03/2013
	R'000	R'000	R'000	R'000	R'000	R'000
<b>NATIONAL DEPARTMENTS</b>						
Department of International Relations and Co-operation	-	-	37,434	31,606	37,434	31,606
Department of Justice and Constitutional Development	-	-	-	1,380	-	1,380
<b>TOTAL</b>	-	-	<b>37,434</b>	<b>32,986</b>	<b>37,434</b>	<b>32,986</b>

A man with short dark hair, wearing a white lab coat over a blue sweater and safety glasses, holds a blue folder. He is standing in an industrial setting with a large piece of equipment featuring a screen and buttons behind him. The background is slightly blurred, showing industrial structures and a red fire extinguisher. Three diagonal stripes in orange, yellow, and light orange cross the lower half of the image.

the dti

# Human Resources Oversight

## 1. Personnel expenditure

**Table 1.1 Personnel expenditure by programme**

Programme	Total Expenditure (R'000)	Personnel Expenditure (R'000)	Training Expenditure (R'000)	Professional and Special Services Expenditure (R'000)	Personnel Expenditure as a % of total expenditure	Average personnel cost per employee (R'000)
Administration	700 370	229 897	7 675	9 024	32.83	152
International Trade and Economic Development	139 566	79 837	500	1 418	57.20	53
Broadening Participation	999 833	69 741	1 284	4 890	6.98	46
Industrial Development: Policy Development	1 575 586	84 844	0	3 779	5.38	56
Consumer and Corporate Regulation	256 698	48 697	940	2 544	18.97	32
Industrial Development: Incentive Administration	5 361 292	128 633	0	14 964	2.40	85
Trade and Investment South Africa	346 951	147 696	49	1 812	42.57	98
<b>TOTAL</b>	<b>9 380 296</b>	<b>789 345</b>	<b>10 448</b>	<b>38 431</b>	<b>8.41</b>	<b>522</b>

**Table 1.2 Personnel costs by salary band**

Salary band	Personnel Expenditure (R'000)	% of total personnel cost	No. of employees	Average personnel cost per employee (R'000)
Lower skilled (levels 1-2)	0	0	0	0
Skilled (levels 3-5)	7 325	0.9	41	177
Highly skilled production (levels 6-8)	118 960	15.1	408	292
Highly skilled supervision (levels 9-12)	335 593	42.5	556	604
Senior and top management (levels 13-16)	238 662	30.2	240	993
Contract (levels 1-2)	4 042	0.5	35	117
Contract (levels 3-5)	2 891	0.4	29	100
Contract (levels 6-8)	24 383	3.1	105	233
Contract (levels 9-12)	32 869	4.2	72	456
Contract (levels 13-16)	24 619	3.1	24	1 024
<b>TOTAL</b>	<b>789 344</b>	<b>100</b>	<b>1 510</b>	<b>3 996</b>

**Table 1.3 Salaries, overtime, homeowners' allowance and medical aid by programme**

Programme	Salaries		Overtime		Homeowners' Allowance		Medical Aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
Administration	155 901	67.8	1 914	0.8	2 831	1.2	6 704	2.9
International Trade and Economic Development	55 292	69.3	65	0.1	716	0.9	2 007	2.5
Broadening Participation	47 285	67.8	6	0	371	0.5	1 602	2.3
Industrial Development: Policy Development	58 384	68.8	0	0	545	0.6	1 759	2.1
Consumer and Corporate Regulation	33 699	69.2	54	0.1	314	0.6	1 016	2.1
Industrial Development: Incentive Administration	91 165	70.9	24	0	1 598	1.2	3 787	2.9
Trade and Investment South Africa	58 651	39.7	29	0	723	0.5	2 200	1.5
<b>TOTAL</b>	<b>500 377</b>	<b>63.4</b>	<b>2 092</b>	<b>0.3</b>	<b>7 098</b>	<b>0.9</b>	<b>19 075</b>	<b>2.4</b>



**Table 1.4 Salaries, overtime, homeowners' allowance and medical aid by salary band**

Salary Bands	Salaries		Overtime		Homeowners' Allowance		Medical Aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
Skilled (levels 1-2)	0	0	0	0	0	0	0	0
Skilled (levels 3-5)	3 805	53	69	1	393	5.5	485	6.8
Highly skilled production (levels 6-8)	67 558	57.4	1 296	1.1	3 620	3.1	6 128	5.2
Highly skilled supervision (levels 9-12)	208 006	62	559	0.2	2 293	0.7	8 541	2.5
Senior management (levels 13-16)	156 013	64.9	0	0	791	0.3	3 619	1.5
Contract (levels 1-2)	3 132	77.2	0	0	0	0	0	0
Contract (levels 3-5)	2 156	74.4	23	0.8	0	0	0	0
Contract (levels 6-8)	18 575	77.3	114	0.5	0	0	0	0
Contract (levels 9-12)	23 499	72	31	0.1	0	0	0	0
Contract (levels 13-16)	17 634	71.2	0	0	0	0	302	1.2
<b>TOTAL</b>	<b>500 377</b>	<b>63.4</b>	<b>2092</b>	<b>0.3</b>	<b>7 097</b>	<b>0.9</b>	<b>19 075</b>	<b>2.4</b>

## 2. Employment and vacancies

The tables in this section summarise the position with regard to employment and vacancies. The following tables summarise the number of posts in the establishment, the number of employees, the vacancy rate and whether any staff are additional to the establishment. This information is presented in terms of three key variables:

- Programme
- Salary band
- Critical occupations (see definition in notes below)

Departments have identified critical occupations that need to be monitored. In terms of current regulations, it is possible to create a post in the establishment that can be occupied by more than one employee. Therefore, the vacancy rate reflects the percentage of posts that are not filled.

**Table 2.1 Employment and vacancies by programme as on 31 March 2014**

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy rate	Number of employees additional to the establishment
Administration, Permanent	480	432	10	113
Broadening Participation, Permanent	116	109	6	17
Consumer and Corporate Regulation, Permanent	79	65	17.7	72
Industrial Development: Policy Development, Permanent	153	134	12.4	16
Industrial Development: Incentive Administration, Permanent	271	253	6.6	55
International Trade and Economic Development, Permanent	150	141	6	1
Trade and Investment South Africa, Permanent	170	152	10.6	12
<b>TOTAL</b>	<b>1 419</b>	<b>1 286</b>	<b>9.4</b>	<b>286</b>

**Table 2.2 Employment and vacancies by salary band as on 31 March 2014**

Salary band	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Unskilled (levels 1-2) Permanent	2	2	0	0
Skilled (levels 3-5), Permanent	57	43	24.6	0
Highly skilled production (levels 6-8), Permanent	455	417	8.4	6
Highly skilled supervision (levels 9-12), Permanent	639	585	8.5	13
Senior management (levels 13-16), Permanent	246	219	11	10
Contract (levels 1-2), Permanent	0	0	0	0
Contract (levels 3-5), Permanent	1	1	0	65
Contract (levels 6-8), Permanent	2	2	0	108
Contract (levels 9-12), Permanent	4	4	0	72
Contract (levels 13-16), Permanent	13	13	0	12
<b>TOTAL</b>	<b>1419</b>	<b>1286</b>	<b>9.4</b>	<b>286</b>

**Table 2.3 Employment and vacancies by critical occupations as on 31 March 2014**

<b>Critical occupation</b>	<b>Number of posts on approved establishment</b>	<b>Number of posts filled</b>	<b>Vacancy Rate</b>	<b>Number of employees additional to the establishment</b>
Administrative related, Permanent	209	177	15.3	153
Communication and information related, Permanent	2	1	50	0
Economists, Permanent	7	6	14.3	0
Finance and economics related, Permanent	52	42	19.2	9
Financial and related professionals, Permanent	7	7	0	0
Financial clerks and credit controllers, Permanent	1	1	0	0
Food services aids and waiters, Permanent	9	9	0	4
General legal administration and related professionals, Permanent	2	2	0	0
Head of department/chief executive officer, Permanent	1	1	0	0
Human resources and organisational development and related professionals, Permanent	1	1	0	2
Human resources clerks, Permanent	5	5	0	1
Human resources related, Permanent	35	34	2.9	8
Information technology related, Permanent	6	6	0	8
Legal related, Permanent	7	6	14.3	0
Librarians and related professionals, Permanent	1	1	0	0
Library mail and related clerks, Permanent	26	25	3.8	0
Light vehicle drivers, Permanent	4	4	0	0



Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Logistical support personnel, Permanent	22	22	0	2
Messengers porters and couriers, Permanent	13	11	15.4	0
Motor vehicle drivers, Permanent	0	0	0	1
Other administrative and related clerks and organisers, Permanent	5	5	0	0
Other information technology personnel, Permanent	3	2	33.3	0
Other occupations, Permanent	2	2	0	0
Secretaries and other keyboard operating clerks, Permanent	158	146	7.6	7
Security officers, Permanent	16	15	6.3	1
Senior managers, Permanent	251	225	10.2	22
Statisticians and related professionals, Permanent	1	1	0	1
Trade/industry advisers and other related professions, Permanent	573	529	7.7	67
<b>TOTAL</b>	<b>1 419</b>	<b>1 286</b>	<b>9.4</b>	<b>286</b>

### 3. Filling of SMS Posts

The tables in this section provide information on employment and vacancies as it relates to members of the Senior Management Service (SMS) by salary levels. It also provides information on advertising and filling of SMS posts, reasons for not complying with prescribed timeframes and disciplinary steps taken.

**Table 3.1 SMS post information as on 31 March 2014**

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/Head of Department	1	1	100	0	0
Salary level 16	0	0	0	0	0
Salary level 15	12	12	83	2	17
Salary level 14	67	67	91	6	9
Salary level 13	201	201	91	19	9
<b>TOTAL</b>	<b>281</b>	<b>281</b>	<b>90</b>	<b>27</b>	<b>10</b>

**Table 3.2 SMS post information as on 30 September 2013**

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/Head of Department	1	1	100	0	0
Salary level 16	0	0	0	0	0
Salary level 15	13	13	92	1	8
Salary level 14	65	65	89	7	11
Salary level 13	195	195	89	22	11
<b>TOTAL</b>	<b>274</b>	<b>274</b>	<b>89</b>	<b>30</b>	<b>11</b>

**Table 3.3 Advertising and filling of SMS posts for the period 1 April 2013 to 31 March 2014**

SMS Level	Advertising	Filling of Post	
	Number of vacancies per level advertised in six months of becoming vacant	Number of vacancies per level filled in six months after becoming vacant	Number of vacancies per level filled in six months but filled in 12 months
Director-General/Head of Department	0	0	0
Salary level 16	0	0	0
Salary level 15	2	1	1
Salary level 14	11	4	3
Salary level 13	29	13	8
<b>TOTAL</b>	<b>42</b>	<b>18</b>	<b>12</b>

**Table 3.4 Reasons for not having complied with filling of funded vacant SMS posts – advertised within six months and filled within 12 months after becoming vacant for the period 1 April 2013 to 31 March 2014**

<b>Reasons for vacancies not advertised within six months</b>
One post not advertised within six months as it was initially abolished for not being advertised timeously, but later reinstated following an appeal to the Director-General.
<b>Reasons for vacancies not filled within 12 months</b>
Seven posts not filled within 12 months, mainly as a result of: <ul style="list-style-type: none"> <li>• Unavailability of skills required within the market;</li> <li>• Head-hunting processes followed to recruitment suitable candidates in line with EE requirements;</li> <li>• Candidates declining offers, resulting in recruitment and selection processes having to be restarted; and</li> <li>• Awaiting DPSA approval for posts consulted.</li> </ul>

**Table 3.5 Disciplinary steps taken for not complying with the prescribed timeframes for filling SMS posts within 12 months for the period 1 April 2013 to 31 March 2014**

<b>Reasons for vacancies not advertised within six months</b>
None
<b>Reasons for vacancies not filled within six months</b>
None

## 4. Job Evaluation

Within a nationally determined framework, executing authorities may evaluate or re-evaluate any job in his or her organisation. In terms of the Regulations, all vacancies on salary levels 9 and higher must be evaluated before being filled. Table 4.1 summarises the number of jobs that were evaluated during the year under review. The table also provides statistics on the number of posts that were upgraded or downgraded.

**Table 4.1 Job Evaluation by salary band for the period 1 April 2013 to 31 March 2014**

Salary band	Number of posts on approved establishment	Number of Jobs Evaluated	% of posts evaluated by salary bands	Posts upgraded		Posts downgraded	
				Number	% of posts evaluated	Number	% of posts evaluated
Contract (levels 1-2)	0	0	0	0	0	0	0
Contract (levels 3-5)	1	0	0	0	0	0	0
Contract (levels 6-8)	2	0	0	0	0	0	0
Contract (levels 9-12)	4	0	0	0	0	0	0
Contract (Band A)	7	0	0	0	0	0	0
Contract (Band B)	4	0	0	0	0	0	0
Contract (Band C)	1	0	0	0	0	0	0
Contract (Band D)	1	0	0	0	0	0	0
Unskilled (levels 1-2), Permanent	2	7	350	0	0	0	0
Skilled (levels 3-5), Permanent	57	9	15.8	0	0	0	0
Highly skilled production (levels 6-8) Permanent	455	211	46.4	12	0	0	0
Highly skilled supervision (levels 9-12) Permanent	639	5	0.8	1	0	0	0
SMS (Band A), Permanent	178	2	1.1	0	0	0	0
SMS (Band B), Permanent	58	1	1.7	0	0	0	0
SMS (Band C), Permanent	10	1	10	0	0	0	0
SMS (Band D), Permanent	0	0	0	0	0	0	0
<b>TOTAL</b>	<b>1 419</b>	<b>236</b>	<b>16.6</b>	<b>13</b>	<b>0</b>	<b>0</b>	<b>0</b>

The following table provides a summary of the number of employees whose positions were upgraded due to their post being upgraded. The number of employees might differ from the number of posts upgraded since not all employees are automatically absorbed into the new posts and some of the upgraded posts could also be vacant.

**Table 4.2 Profile of employees whose positions were upgraded due to their posts being upgraded for the period 1 April 2013 to 31 March 2014**

Gender	African	Asian	Coloured	White	Total
Female	7	0	0	0	7
Male	6	0	0	0	6
<b>TOTAL</b>	<b>13</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>13</b>
Employees with a disability	0	0	0	0	0

The following table summarises the number of cases where remuneration bands exceeded the grade determined by job evaluation. Reasons for the deviation are provided in each case.

**Table 4.3 Employees with salary levels higher than those determined by job evaluation by occupation for the period 1 April 2013 to 31 March 2014**

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
Administrative related	1	12	13	Retention
Administrative related	1	10	11	Retention
Finance and economics related	1	12	13	Retention
Finance and economics related	1	8	9	Counter Offer
Finance and economics related	1	7	8	Counter Offer
Senior Managers	1	14	15	Counter Offer
Trade/industry advisers and other related profession	3	12	13	Retention
Trade/industry advisers and other related professions	1	10	11	Retention
Trade/industry advisers and other related professions	1	11	12	Retention
Trade/industry advisers and other related professions	1	10	11	Counter Offer
<b>Total number of employees whose salaries exceeded the level determined by job evaluation</b>				<b>12</b>
<b>Percentage of total employed</b>				<b>0.8</b>

The following table summarises the beneficiaries of the above in terms of race, gender, and disability.

**Table 4.4 Profile of employees who have salary levels higher than those determined by job evaluation for the period 1 April 2013 to 31 March 2014**

Gender	African	Asian	Coloured	White	Total
Female	2	1	0	1	4
Male	3	0	0	5	8
<b>TOTAL</b>	<b>5</b>	<b>1</b>	<b>0</b>	<b>6</b>	<b>12</b>
Employees with a disability	0	0	0	0	0

Total number of employees whose salaries exceeded the grades determine by job evaluation	None
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## 5. Employment Changes

This section provides information on changes in employment over the financial year. Turnover rates provide an indication of trends in the employment profile of the department. The following tables provide a summary of turnover rates by salary band and critical occupations (see definition in notes below).

**Table 5.1 Annual turnover rates by salary band for the period 1 April 2013 to 31 March 2014**

Salary band	Number of employees at beginning of period 1 April 2014	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Lower skilled ( levels 1-2) Permanent	3	0	0	0
Skilled (levels3-5), Permanent	56	15	8	14.3
Highly skilled production (levels 6-8), Permanent	446	57	30	6.7
Highly skilled supervision (levels 9-12), Permanent	623	47	52	8.3
Senior Managers (levels 13 -16), Permanent	222	9	13	5.9
Contract (levels 1-2) Permanent	0	0	0	0
Contract, (levels3-5), Permanent	1	76	63	6300
Contract, (levels 6-8), Permanent	2	83	10	500
Contract, (levels 9-12), Permanent	3	37	12	400
Contract (levels 13 -16), Permanent	13	5	1	7.7
<b>TOTAL</b>	<b>1369</b>	<b>329</b>	<b>189</b>	<b>13.8</b>

**Table 5.2 Annual turnover rates by critical occupation for the period 1 April 2013 to 31 March 2014**

Critical occupation	Number of employees at beginning of period April 2014	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Administrative related, Permanent	212	163	93	43.9
Communication and information related, Permanent	2	0	1	50
Economists, Permanent	7	0	1	14.3
Finance and economics related, Permanent	53	17	9	17
Financial and related professionals, Permanent	6	0	0	0
Financial clerks and credit controllers, Permanent	1	0	0	0
Food services aids and waiters, Permanent	8	3	0	0
General legal administration and related professionals, Permanent	2	0	0	0
Head of department/chief executive officer, Permanent	1	0	0	0
Human resources and organisational development and related professionals, Permanent	1	0	0	0
Human resources clerks, Permanent	5	0	0	0
Human resources related, Permanent	34	8	5	14.7
Information technology related, Permanent	5	1	1	20
Legal related, Permanent	7	0	0	14.3
Librarians and related professionals, Permanent	1	0	0	0
Library mail and related clerks, Permanent	24	5	1	4.2
Light vehicle drivers, Permanent	4	0	1	25
Logistical support personnel, Permanent	22	5	2	9.1
Messengers porters and couriers, Permanent	11	2	2	18.2
Motor vehicle drivers, Permanent	0	0	0	0
Other administrative and related clerks and organisers, Permanent	5	1	0	0
Other information technology personnel, Permanent	3	0	0	0
Other occupations, Permanent	5	2	0	0



Critical occupation	Number of employees at beginning of period April 2014	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Secretaries and other keyboard operating clerks, Permanent	150	21	13	8.7
Security officers, Permanent	16	1	0	0
Senior managers, Permanent	231	14	14	6.1
Statisticians and related professionals, Permanent	0	1	0	0
Trade/industry advisers and other related professions, Permanent	553	85	46	8.3
<b>TOTAL</b>	<b>1 369</b>	<b>329</b>	<b>189</b>	<b>13.8</b>

The table below identifies the major reasons why staff left the department.

**Table 5.3 Reasons why staff left the department for the period 1 April 2013 to 31 March 2014**

Termination Type	Number	% of total resignations
Death	5	2.6
Resignation	100	52.9
Expiry of contract	60	31.7
Dismissal – misconduct	1	0.5
Retirement	4	2.1
Transfer to other public service departments	19	10.1
<b>TOTAL</b>	<b>189</b>	<b>100</b>
<b>Total number of employees who left as a % of total employment</b>		<b>6.4</b>

**Table 5.4 Promotions by critical occupation for the period 1 April 2013 to 31 March 2014**

<b>Occupation</b>	<b>Employees 1 April 2014</b>	<b>Promotions to another salary level</b>	<b>Salary level promotions as a % of employees by occupation</b>	<b>Progressions to another notch within a salary level</b>	<b>Notch progression as a % of employees by occupation</b>
Administrative related, Permanent	212	25	11.8	120	56.6
Communication and information related, Permanent	2	0	0	1	50
Economists, Permanent	7	0	0	5	71.4
Finance and economics related, Permanent	53	9	17	25	47.2
Financial and related professionals, Permanent	6	0	0	0	0
Financial clerks and credit controllers, Permanent	1	0	0	0	0
Food services aids and waiters, Permanent	8	0	0	7	87.5
General legal administration and related professionals, Permanent	2	0	0	2	100
Head of department/chief executive officer, Permanent	1	0	0	1	100
Human resources and organisational development and related professionals, Permanent	1	0	0	1	100
Human resources clerks, Permanent	5	0	0	5	100
Human resources related, Permanent	34	4	11.8	25	73.5
Information technology related, Permanent	5	0	0	10	200
Legal related, Permanent	7	0	0	5	71.4
Librarians and related professionals, Permanent	1	0	0	1	100

Occupation	Employees 1 April 2014	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progression as a % of employees by occupation
Library mail and related clerks, Permanent	24	2	8.3	18	75
Light vehicle drivers, Permanent	4	1	25	3	75
Logistical support personnel, Permanent	22	1	4.5	15	68.2
Messengers porters and couriers, Permanent	11	0	0	9	81.8
Motor vehicle drivers, Permanent	0	0	0	1	0
Other administrative and related clerks and organisers, Permanent	5	0	0	4	80
Other information technology personnel, Permanent	3	0	0	0	0
Other occupations, Permanent	5	0	0	0	0
Secretaries and other keyboard operating clerks, Permanent	150	10	6.7	109	72.7
Security officers, Permanent	16	1	6.3	12	75
Senior managers, Permanent	231	18	7.8	187	81
Trade/industry advisers and other related professions, Permanent	553	52	9.4	276	49.9
<b>TOTAL</b>	<b>1 369</b>	<b>123</b>	<b>9</b>	<b>842</b>	<b>61.5</b>

**Table 5.5 Promotions by salary band for the period 1 April 2013 to 31 March 2014**

Salary Band	Employees 1 April 2014	Promotions to another salary level	Salary bands promotions as a % of employees by salary level	Progressions to another notch within a salary level	Notch progression as a % of employees by salary bands
Lower skilled ( levels 1-2), Permanent	3	0	0	0	0
Skilled (levels 3-5), Permanent	56	2	3.6	32	57.1
Highly skilled production (levels 6-8), Permanent	446	42	9.4	299	67
Highly skilled supervision (levels 9-12) Permanent	623	46	7.4	304	48.8
Senior management (levels 13-16), Permanent	222	18	8.1	188	84.7
Contract (levels 1-2), Permanent	0	0	0	0	0
Contract (levels 3-5), Permanent	1	0	0	2	200
Contract (levels 6-8), Permanent	2	12	600	3	150
Contract, (levels 9-12), Permanent	3	3	100	7	233.3
Contract (levels 13-16), Permanent	13	0	0	7	53.8
<b>TOTAL</b>	<b>1 369</b>	<b>123</b>	<b>9</b>	<b>842</b>	<b>61.5</b>

## 6. Employment Equity

**Table 6.1 Total number of employees (including employees with disabilities) in each of the following occupational categories as on 31 March 2014**

Occupational category	Male					Female					Total
	A	C	I	Total Black	W	A	C	I	Total Black	W	
Legislators, senior officials and managers	91	18	12	121	22	66	10	18	94	18	255
Professionals	300	10	11	321	27	311	16	28	355	30	733
Technicians and associate professionals	116	6	2	124	1	190	11	3	204	20	349
Clerks	22	0	0	22	0	138	7	1	146	19	187
Service shop and market sales workers	4	0	3	7	1	7	0	0	7	1	16
Plant and machine operators and assemblers	4	1	0	5	0	0	0	0	0	0	5
Labourers and related workers	8	0	0	8	0	17	2	0	19	0	27
<b>TOTAL</b>	<b>545</b>	<b>35</b>	<b>28</b>	<b>608</b>	<b>51</b>	<b>729</b>	<b>46</b>	<b>50</b>	<b>825</b>	<b>88</b>	<b>1572</b>
Employees with disabilities*	20	0	1	21	2	13	1	2	16	3	42

\* Totals indicated already included in above table.

- A = African, C = coloured, I = Indian, W = white

**Table 6.2 Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2014**

Occupational category	Male					Female					Total
	A	C	I	Total Black	W	A	C	I	Total Black	W	
Top management	1	2	2	5	0	2	1	0	3	0	8
Senior management	85	12	8	105	22	64	8	19	91	16	234
Professionally qualified and experienced specialists and mid management	223	9	14	246	21	247	15	21	283	35	585
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	100	3	2	105	3	261	14	6	281	34	423
Semi-skilled and discretionary decision-making	21	0	0	21	0	21	3	0	24	0	45
Unskilled and defined decision-making	0	0	0	0	0	0	0	0	0	0	0
Contract (top management)	0	1	2	3	1	1	0	0	1	0	5
Contract (senior management)	8	2	0	10	3	1	3	2	6	1	20
Contract (professionally qualified)	41	3	0	44	1	28	0	0	28	0	73
Contract (skilled technical)	39	1	0	40	0	68	1	2	71	2	113
Contract (semi-skilled)	27	2	0	29	0	36	1	0	37	0	66
Contract (unskilled)	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL</b>	<b>545</b>	<b>35</b>	<b>28</b>	<b>608</b>	<b>51</b>	<b>729</b>	<b>46</b>	<b>50</b>	<b>825</b>	<b>88</b>	<b>1572</b>

- A = African, C = coloured, I = Indian, W = white

**Table 6.3 Recruitment for the period 1 April 2013 to 31 March 2014**

Occupational band	Male					Female					Total
	A	C	I	Total Black	W	A	C	I	Total Black	W	
Senior management	1	0	0	1	0	4	0	3	7	1	9
Professionally qualified and experienced specialists and mid management	18	0	1	19	0	23	1	3	27	1	47
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	13	0	3	16	0	35	2	1	38	3	57
Semi-skilled and discretionary decision-making	5	0	0	5	0	7	3	0	10	0	15
Contract (senior management)	0	1	1	2	2	0	0	1	1	0	5
Contract (professionally qualified)	23	2	0	25	1	10	0	1	11	0	37
Contract (skilled technical)	29	0	0	29	0	52	1	0	53	1	83
Contract (semi-skilled)	30	1	2	33	0	41	1	1	43	0	76
<b>TOTAL</b>	<b>119</b>	<b>4</b>	<b>7</b>	<b>130</b>	<b>3</b>	<b>172</b>	<b>8</b>	<b>10</b>	<b>190</b>	<b>6</b>	<b>329</b>
<b>Employees with disabilities</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>

- A = African, C = coloured, I = Indian, W = white

**Table 6.4 Promotions for the period 1 April 2013 to 31 March 2014**

Occupational band	Male					Female					Total
	A	C	I	Total Black	W	A	C	I	Total Black	W	
Top management	0	0	0	0	0	0	0	0	0	0	0
Senior management	2	0	1	3	0	12	2	1	15	0	18
Professionally qualified and experienced specialists and mid management	18	0	0	18	1	24	1	2	27	0	46
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	11	0	0	11	0	29	2	0	31	0	42
Semi-skilled and discretionary decision-making	2	0	0	2	0	0	0	0	0	0	2
Top management	0	0	0	0	0	0	0	0	0	0	0
Contract (senior management)	0	0	0	0	0	0	0	0	0	0	0
Contract (professionally qualified)	1	0	0	1	0	2	0	0	2	0	3
Contract (skilled technical)	5	0	0	5	0	7	0	0	7	0	12
Contract (semi-skilled)	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL</b>	<b>39</b>	<b>0</b>	<b>1</b>	<b>40</b>	<b>1</b>	<b>74</b>	<b>5</b>	<b>3</b>	<b>82</b>	<b>0</b>	<b>123</b>
<b>Employees with disabilities</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2</b>

- A = African, C = coloured, I = Indian, W = white



**Table 6.5 Terminations for the period 1 April 2013 to 31 March 2014**

Occupational band	Male					Female					Total
	A	C	I	Total Black	W	A	C	I	Total Black	W	
Senior management	4	0	0	4	0	7	1	1	9	0	13
Professionally qualified and experienced specialists and mid management	24	1	2	27	0	25	0	0	25	0	52
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	10	0	0	10	0	18	1	0	19	2	31
Semi-skilled and discretionary decision-making	3	0	0	3	0	4	0	0	4	0	7
Contract (senior management)	0	0	0	0	0	0	1	0	1	0	1
Contract (professionally qualified)	7	0	0	7	1	4	0	0	4	0	12
Contract (skilled technical)	5	0	0	5	0	5	0	0	5	0	10
Contract (semi-skilled)	25	1	2	28	0	33	1	1	35	0	63
<b>TOTAL</b>	<b>78</b>	<b>2</b>	<b>4</b>	<b>84</b>	<b>1</b>	<b>96</b>	<b>4</b>	<b>2</b>	<b>102</b>	<b>2</b>	<b>189</b>
<b>Employees with disabilities</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>

- A = African, C = coloured, I = Indian, W = white

**Table 6.6 Disciplinary action for the period 1 April 2013 to 31 March 2014**

Disciplinary action	Male					Female					Total
	A	C	I	Total Black	W	A	C	I	Total Black	W	
Written warning	4	0	2	6	0	3	0	0	3	0	9
Counselling	1	0	0	1	0	2	0	0	2	0	3
Verbal warning	4	0	1	5	0	3	0	0	3	0	8
Withdrawn	1	0	0	1	0	1	0	0	1	0	2
Dismissal	1	0	0	1	0	1	0	0	1	0	2
Pending	1	0	1	2	0	1	0	0	1	0	3
Suspension	1	0	0	1	0	0	0	0	0	0	1
Final written warning	0	0	0	0	0	0	1	0	1	0	1
<b>TOTAL</b>	<b>13</b>	<b>0</b>	<b>4</b>	<b>17</b>	<b>0</b>	<b>11</b>	<b>1</b>	<b>0</b>	<b>12</b>	<b>0</b>	<b>29</b>

- A = African, C = coloured, I = Indian, W = white

**Table 6.7 Skills development for the period 1 April 2013 to 31 March 2014**

Occupational category	Male					Female					Total
	A	C	I	Total Black	W	A	C	I	Total Black	W	
Legislators, senior officials and managers	56	12	7	75	12	44	8	15	67	8	162
Professionals	249	14	16	279	24	297	6	24	327	23	653
Technicians and associate professionals	100	10	0	110	1	317	28	11	356	7	474
Clerks	167	8	10	185	0	237	3	4	244	0	429
Service and sales workers	0	0	0	0	0	0	0	0	0	0	0
Skilled agriculture and fishery workers	0	0	0	0	0	0	0	0	0	0	0
Craft and related trades workers	0	0	0	0	0	0	0	0	0	0	0
Plant and machine operators and assemblers	0	0	0	0	0	0	0	0	0	0	0
Elementary occupations	2	0	0	2	0	5	0	0	5	0	7
<b>TOTAL</b>	<b>574</b>	<b>44</b>	<b>33</b>	<b>651</b>	<b>37</b>	<b>900</b>	<b>45</b>	<b>54</b>	<b>999</b>	<b>38</b>	<b>1725</b>
<b>Employees with disabilities</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

- A = African, C = coloured, I = Indian, W = white

## 7. Signing of performance agreements by SMS members

All members of the SMS must conclude and sign performance agreements within specific timeframes. Presented here is information regarding the signing of performance agreements by SMS members, the reasons for non-compliance within the prescribed timeframes and disciplinary steps taken.

**Table 7.1 Signing of Performance Agreements by SMS members as on 31 July 2013**

SMS Level	Total number of funded SMS posts	Total number of SMS members	Total number of signed performance agreements	Signed performance agreements as % of total number of SMS members
Director-General/Head of Department	1	1	1	100
Salary level 16	0	0	0	0
Salary level 15	13	12	11	92
Salary level 14	66	58	55	95
Salary level 13	194	170	158	93
<b>TOTAL</b>	<b>274</b>	<b>241</b>	<b>225</b>	<b>93</b>

### Notes

In the event of a national or provincial election occurring within the first three months of a financial year, all members of the SMS must conclude and sign their performance agreements for that financial year within three months following the month in which the elections took place. For example, if elections took place in April, the reporting date in the heading of the table above should change to 31 July 2013.

**Table 7.2 Reasons for not having concluded performance agreements for all SMS members as on 31 July 2013**

Reasons	
Salary level 15	<ul style="list-style-type: none"> <li>• One employee finalised, but late.</li> <li>• CD: SM&amp;EO was tasked to analyse the PA of ambassador to the WTO.</li> <li>• Employee has been granted extension of 30 June 2013 and the PA was received on 25 June 2013 by the Strategic Unit.</li> </ul>
Salary level 14	<ul style="list-style-type: none"> <li>• Three employees finalised, but late.</li> <li>• One employee (Chief Internal Auditor) completed and signed PA on 22 May 2013 before due date. The agreement was completed after the due date owing to a consultation with the Audit Committee. The agreement was only finalised after the consultation with the Audit Committee.</li> <li>• One misunderstanding in terms of the extension and submission of the agreement. Agreement was finalised on 24 June 2013.</li> <li>• One not submitted; employee was seconded to the Companies Tribunal, but is currently on sabbatical leave.</li> </ul>
Salary level 13	<ul style="list-style-type: none"> <li>• Two employees did not yet submit.</li> <li>• One FER did not submit. He, however, submitted his quarterly and bi-annual reviews based on a signed PA. Employee finalised but late.</li> <li>• One FER indicated that he did submit, but it was not received by the D: T&amp;PM.</li> <li>• 10 employees finalised the agreements after 31 May.</li> <li>• One agreement was submitted on time to the D: T&amp;PM by the employee. However, it transpired that it was not signed by the manager. Therefore, the agreement was finalised after the due date.</li> <li>• Three misunderstandings in terms of the extension and submission of the agreement. Agreement was finalised on 24 June 2013.</li> <li>• One agreement was finalised by the employee on 28 May, but the Chief Director was not in the office to finalise it on time.</li> <li>• One grievance lodged by the employee with regard to the job content. Agreement was finalised on 12 December.</li> <li>• Two FER employees submitted after the target date due to the placement and integration of the employee at the mission.</li> <li>• One employee submitted on time to the Chief Director, but it was only finalised after 31 May.</li> <li>• One employee was seconded to the NCC in October 2012. He resigned from <b>the dti</b> afterwards. No agreement was therefore submitted and he resigned from his position in CCRD on 5 July 2013.</li> </ul>

**Table 7.3 Disciplinary steps taken against SMS members for not having concluded performance agreements as on 31 May 2013**

Reasons
Employees who did not comply with the target date for submission of performance agreements will not qualify for cash awards and notch increases.
The Director-General sent letters to the employees who did not comply to inform them that they are not complying with policies of Government and <b>the dti</b> . The employees had to respond to the Director-General's letter and provide reasons for non-compliance. They also had to submit their agreements on a specified date, as per the DG's letter.

## 8. Performance Rewards

To encourage good performance, the department has granted the following performance rewards during the year under review. The information is presented in terms of race, gender, disability, salary bands and critical occupations (see definition in notes below).

**Table 8.1 Performance rewards by race, gender and disability for the period 1 April 2013 to 31 March 2014**

Race and Gender	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within group	Cost (R'000)	Average cost per employee (R'000)
<b>African</b>					
Male	155	545	28	3,210	21
Female	247	729	34	4,456	18
<b>Asian</b>					
Male	12	28	43	535	45
Female	19	50	38	578	30
<b>Coloured</b>					
Male	6	35	17	224	37
Female	16	46	35	284	18
<b>Total Blacks, Male</b>	<b>173</b>	<b>608</b>	<b>28</b>	<b>3,969</b>	<b>23</b>
<b>Total Blacks, Female</b>	<b>282</b>	<b>825</b>	<b>34</b>	<b>5,318</b>	<b>19</b>
<b>White</b>					
Male	17	51	33	555	33
Female	54	88	61	1,390	26
<b>Employees with a disability *</b>	<b>16</b>	<b>42</b>	<b>38</b>	<b>222</b>	<b>14</b>
<b>TOTAL</b>	<b>526</b>	<b>1572</b>	<b>33</b>	<b>11,232</b>	<b>21</b>

\* Totals indicated already included with EE

**Table 8.2 Performance rewards by salary band for personnel below SMS for the period 1 April 2013 to 31 March 2014**

Salary band	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee (R'000)
Lower skilled (levels 1-2)	0	2	0	0	0
Skilled (levels 3-5)	33	43	77	197	6
Highly skilled production (levels 6-8)	189	423	45	1,918	10
Highly skilled supervision (levels 9-12)	218	598	36	5,284	24
Contract (levels 1-2)	0	0	0	0	0
Contract (levels 3-5)	1	66	2	7	7
Contract (levels 6-8)	4	110	4	40	10
Contract (levels 9-12)	3	76	4	61	20
<b>TOTAL</b>	<b>448</b>	<b>1 318</b>	<b>34</b>	<b>7,507</b>	<b>17</b>



**Table 8.3 Performance rewards by critical occupation for the period 1 April 2013 to 31 March 2014**

Critical occupation	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total employment	Total cost (R'000)	Average cost per employee (R'000)
Administrative related, Permanent	77	330	23	1,201	16
Communication and information related, Permanent	1	1	100	35	35
Economists, Permanent	1	6	17	30	30
Finance and economics related, Permanent	19	51	37	442	23
Financial and related professionals, Permanent	0	7	0	0	0
Financial clerks and credit controllers, Permanent	1	1	100	7	7
Food services aids and waiters, Permanent	12	13	92	48	4
General legal administration and related professionals, Permanent	1	2	50	20	20
Head of department/chief executive officer, Permanent	0	1	0	0	0
Human resources and organisational development and related, Permanent	1	3	33	48	48
Human resources clerks, Permanent	4	6	67	63	16
Human resources related, Permanent	15	42	36	352	23
Information technology related, Permanent	1	14	7	14	14
Legal related, Permanent	0	6	0	0	0
Librarians and related professionals, Permanent	0	1	0	0	0

Critical occupation	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total employment	Total cost (R'000)	Average cost per employee (R'000)
Library mail and related clerks, Permanent	16	25	64	161	10
Light vehicle drivers, Permanent	2	4	50	9	5
Logistical support personnel, Permanent	10	24	42	154	15
Messengers porters and couriers, Permanent	9	11	82	53	6
Motor vehicle drivers, Permanent	1	1	100	7	7
Other administrative and related clerks and organisers, Permanent	1	5	20	7	7
Other information technology personnel, Permanent	0	2	0	0	0
Other occupations, Permanent	0	2	0	0	0
Secretaries and other keyboard operating clerks, Permanent	68	153	44	785	12
Security officers, Permanent	4	16	25	58	15
Senior managers, Permanent	78	247	32	3,725	48
Statisticians and related professionals, Permanent	0	2	0	0	0
Trade/industry advisers and other related professions, Permanent	204	596	34	4,013	20
<b>TOTAL</b>	<b>526</b>	<b>1572</b>	<b>33</b>	<b>11,232</b>	<b>21</b>

**Table 8.4 Performance related rewards (cash bonus), by salary band for SMS for the period 1 April 2013 to 31 March 2014**

Salary band	Beneficiary Profile			Cost		% of SMS Wage Bill	Personnel Cost SMS (R'000)
	Number of beneficiaries	Number of employees	% of total employment	Total cost (R'000)	Average cost per Beneficiary (R'000)		
Band A	49	182	27	2,045	42	1.24	165,405
Band B	23	61	38	1,227	53	1.49	82,396
Band C	6	10	60	453	76	1.43	31,690
Band D	0	1	0	0	0	0	1,508
<b>TOTAL</b>	<b>78</b>	<b>254</b>	<b>31</b>	<b>3,725</b>	<b>48</b>	<b>4.15</b>	<b>280,999</b>

## 9. Foreign Workers

The tables below summarise the employment of foreign nationals in the department in terms of salary band and major occupation.

**Table 9.1 Foreign workers by salary band for the period 1 April 2013 to 31 March 2014**

Salary band	1 April 2013		31 March 2014		Change	
	Number	% of total	Number	% of total	Number	% Change
Highly skilled supervision (levels 9-12)	3	43	3	43	3	0
Senior Management (levels 13-16)	1	14	1	14	1	0
Contract (levels 6-8)	1	14	1	14	1	0
Contract (levels 9-12)	1	14	1	14	1	0
Contract (levels 13-16)	1	14	1	14	1	0
<b>TOTAL</b>	<b>7</b>	<b>100</b>	<b>7</b>	<b>100</b>	<b>7</b>	<b>0</b>

**Table 9.2 Foreign workers by major occupation for the period 1 April 2013 to 31 March 2014**

Major occupation	1 April 2013		31 March 2014		Change	
	Number	% of total	Number	% of total	Number	% Change
Senior management	2	29	2	29	2	0
Professionals and managers	4	57	4	57	4	0
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	1	14	1	14	1	0
<b>TOTAL</b>	<b>7</b>	<b>100</b>	<b>7</b>	<b>100</b>	<b>7</b>	<b>0</b>

## 10. Leave utilisation

The Public Service Commission (PSC) identified the need for careful monitoring of sick leave within the public service. The following tables provide an indication of the use of sick leave and disability leave. In both cases, the estimated cost of the leave is provided.

**Table 10.1 Sick leave for the period 1 January 2013 to 31 December 2013**

Salary band	Total days	% days with medical certification	Number of employees using sick leave	% of total employees using sick leave	Average days per employee	Estimated cost (R'000)	Total number of days with medical certificate
Skilled (levels 3-5)	402	79.9	39	100	10	110	321
Highly skilled production (levels 6-8)	4832	74.7	379	100	13	2,506	3609
Highly skilled supervision (levels 9 -12)	4916	69.9	499	100	10	4,924	3436
Top and Senior management (levels 13-16)	1508	68.7	176	100	9	2,203	1036
Contact (levels 3-5)	154	33.8	47	100	3	24	52
Contract (levels 6-8)	555	73	46	100	12	265	405
Contract (levels 9-12)	469	71.2	51	100	9	350	334
Contract (levels 13-16)	124	66.1	12	100	10	201	82
<b>TOTAL</b>	<b>12 960</b>	<b>71.6</b>	<b>1 249</b>	<b>100</b>	<b>10</b>	<b>10,583</b>	<b>9 275</b>

**Table 10.2 Disability leave (temporary and permanent) for the period 1 January 2013 to 31 December 2013**

Salary band	Total days	% days with medical certification	Number of employees using disability leave	% of total employees using disability leave	Average days per employee	Estimated cost (R'000)
Highly skilled production (levels 6-8)	214	100	9	100	24	205
Highly skilled supervision (levels 9-12)	252	100	11	100	23	479
Contract (levels 6-8)	4	100	1	100	4	3
<b>TOTAL</b>	<b>470</b>	<b>100</b>	<b>21</b>	<b>100</b>	<b>22</b>	<b>687</b>

The table below summarises the utilisation of annual leave. The wage agreement concluded with trade unions in the Public Service Co-ordinating Bargaining Council in 2000 requires management of annual leave to prevent high levels of accrued leave being paid at the time of termination of service.

**Table 10.3 Annual Leave for the period 1 January 2013 to 31 December 2013**

Salary band	Total days taken	Average per employee	Number of employees using annual leave
Lower skilled (levels 1-2)	0	0	0
Skilled (levels 3-5)	947	18	52
Highly skilled production (levels 6-8)	8 849	23	388
Highly skilled supervision(levels 9-12)	13 501	20	663
Senior management (levels 13-16)	5 851	22	266
Contract (levels 3-5)	787	8	99
Contract (levels 6-8)	1 270	12	105
Contract (levels 9-12)	1 072	13	82
Contract (levels 13-16)	491	20	25
<b>TOTAL</b>	<b>32 768</b>	<b>20</b>	<b>1 680</b>

**Table 10.4 Capped leave for the period 1 January 2013 to 31 December 2014**

Salary band	Total days of capped leave taken	Average number of days taken per employee	Average capped leave per employee as on 31 March 2013	Number of employees using capped leave	Capped leave available at 31 December 2013	Number of employees as at 31 December 2013
Skilled Levels 3-5)	3	3	48	1	856	18
Highly skilled production (levels 6-8)	9	3	16	3	729	45
Highly skilled supervision (levels 9-12)	55	9	33	6	3 163	96
Senior management (levels 13-16)	13	3	33	4	2 634	79
<b>TOTAL</b>	<b>80</b>	<b>6</b>	<b>31</b>	<b>14</b>	<b>7 382</b>	<b>238</b>

The following table summarise payments made to employees as a result of leave that was not taken.

**Table 10.5 Leave payouts for the period 1 April 2013 to 31 March 2014**

Reason	Total amount (R'000)	Number of employees	Average per employee (R'000)
Leave payout for 2013/14 due to non-utilisation of leave for the previous cycle	1,421	66	22
Capped leave payouts on termination of service for 2013/14	24	2	12
Current leave payout on termination of service for 2013/14	1,473	126	12
<b>TOTAL</b>	<b>2,918</b>	<b>194</b>	<b>15</b>

## 11. HIV/AIDS and health promotion programmes

**Table 11.1 Steps taken to reduce the risk of occupational exposure**

Units/categories of employees identified to be at high risk of contracting HIV and related diseases (if any)	Key steps taken to reduce the risk
Occupational Health Practitioner	Awareness
First Aiders	Providing access to Post-Exposure Prophylaxis

**Table 11.2 Details of Health Promotion and HIV/AIDS Programmes (tick the applicable boxes and provide the required information)**

Question	Yes	No	Details, if yes
1. Has the department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.	X		D: OD&T
2. Does the department have a dedicated unit or has it designated specific staff members to promote the health and well-being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.	X		Quality of Worklife
3. Has the department introduced an Employee Assistance or Health Promotion Programme for its employees? If so, indicate the key elements/services of this programme.	X		ICAS
4. Has the department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations 2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.	X		Health and Wellness Committee and Transformation Committee
5. Has the department reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed.	X		EE Plan and EE Policy
6. Has the department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures.	X		HIV/AIDS Policy
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results achieved.	X		Monthly Health Screenings
8. Has the department developed measures/indicators to monitor and evaluate the impact of its health promotion programme? If so, list these measures/indicators.	X		Health Assessment Reports



## 12. Labour Relations

**Table 12.1 Collective agreements for the period 1 April 2013 to 31 March 2014**

Subject matter	
Total number of collective agreements	None

The following table summarises the outcome of disciplinary hearings conducted within the department for the year under review.

**Table 12.2 Misconduct and disciplinary hearings finalised for the period 1 April 2013 to 31 March 2014**

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling	3	10.3
Verbal warning	8	27.6
Written warning	9	31
Final written warning	1	3.5
Suspended without pay	1	3.5
Fine	0	0
Demotion	0	0
Dismissal	2	6.9
Not guilty	0	0
Case withdrawn	2	6.9
Pending	3	10.3
<b>TOTAL</b>	<b>29</b>	<b>100</b>

Total number of Disciplinary hearings finalised	None
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Outcomes of disciplinary hearings	Number	% of total
Finalised	26	90
Not finalised	3	10
<b>TOTAL</b>	<b>29</b>	<b>100</b>

**Table 12.3 Types of misconduct addressed at disciplinary hearings for the period 1 April 2013 to 31 March 2014**

Type of misconduct	Number	% of total
Failure to comply with legal obligation	1	3
Absenteeism	4	14
Under influence of alcohol	1	3
Failure to follow lawful instruction	1	3
Failure comply with leave policy	4	14
Abuse of state vehicle	1	3
Performs poorly other than incapacity	2	7
Improper conduct	3	10
Displayed disrespect toward others in the workplace	1	3
Insubordinations	4	14
Fruitless and wasteful expenditure	1	3
Falsification of documents	1	3
Fraud	1	3
Theft of department funds	1	3
Victimisation of staff	1	3
Failure to comply with conflict of interest	1	3
Failure to comply with PM policy	1	3
<b>TOTAL</b>	<b>29</b>	<b>100</b>

**Table 12.4 Grievances logged for the period 1 April 2013 to 31 March 2014**

<b>Grievances</b>	<b>Number</b>	<b>% of total</b>
Number of grievances resolved	10	59
Number of grievances not resolved	7	41
<b>Total number of grievances lodged</b>	<b>17</b>	<b>100</b>

**Table 12.5 Disputes logged with Councils for the period 1 April 2013 to 31 March 2014**

<b>Disputes</b>	<b>Number</b>	<b>% of total</b>
Number of disputes upheld	4	44.4
Number of disputes dismissed	5	55.6
<b>Total number of disputes lodged</b>	<b>9</b>	<b>100</b>

**Table 12.6 Strike actions for the period 1 April 2013 to 31 March 2014**

Total number of persons working days lost	0
Total costs working days lost	0
Amount recovered as a result of no work no pay (R'000)	0

**Table 12.7 Precautionary suspensions for the period 1 April 2013 to 31 March 2014**

Number of people suspended	6
Number of people whose suspension exceeded 60 days	2
Average number of days suspended	200
Cost of suspension (R'000)	1,135

### 13. Skills development

This section highlights the efforts of the department with regard to skills development.

**Table 13.1 Training needs identified for the period 1 April 2013 to 31 March 2014**

Occupational category	Gender	Employment	Training needs identified at start of the reporting period			
			Learnerships	Skills programmes and other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	112	0	259	0	259
	Male	143	0	211	0	211
Professionals	Female	382	0	851	0	851
	Male	348	0	758	0	758
Technicians and associate professionals	Female	227	0	874	0	874
	Male	125	0	331	0	331
Clerks	Female	165	0	368	0	368
	Male	22	0	183	0	183
Service and sales workers	Female	8	0	0	0	0
	Male	8	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	5	0	0	0	0
Labourers and related workers	Female	19	0	15	0	15
	Male	8	0	8	0	8
Sub-total	Female	913	0	2 367	0	2 367
	Male	659	0	1 491	0	1 491
<b>TOTAL</b>		<b>1 572</b>	<b>0</b>	<b>3 858</b>	<b>0</b>	<b>3 858</b>

**Table 13.2 Training provided for the period 1 April 2013 to 31 March 2014**

Occupational category	Gender	Employment	Training provided within the reporting period			
			Learnerships	Skills programmes and other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	112	0	75	0	75
	Male	143	0	87	0	87
Professionals	Female	382	0	350	0	350
	Male	348	0	303	0	303
Technicians and associate professionals	Female	227	0	363	0	363
	Male	125	0	111	0	111
Clerks	Female	165	0	244	0	244
	Male	22	0	185	0	185
Service and sales workers	Female	8	0	0	0	0
	Male	8	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	5	0	0	0	0
Labourers and related workers	Female	19	0	5	0	5
	Male	8	0	2	0	2
Sub-total	Female	913	0	1 037	0	1 037
	Male	659	0	688	0	688
<b>TOTAL</b>		<b>1 572</b>	<b>0</b>	<b>1 725</b>	<b>0</b>	<b>1 725</b>

## 14. Injury on duty

The following tables provide basic information on injury on duty.

**Table 14.1 Injury on duty for the period 1 April 2013 to 31 March 2014**

<b>Nature of injury on duty</b>	<b>Number</b>	<b>% of total</b>
Required basic medical attention only	8	100
<b>TOTAL</b>	<b>8</b>	<b>100</b>

## 15. Utilisation of consultants

The following tables relate to information on the utilisation of consultants in the department. In terms of the Public Service Regulations “consultant” means a natural or juristic person or a partnership that provides in terms of a specific contract on an ad-hoc basis any of the following professional services to a department against remuneration received from any source:

- (a) The rendering of expert advice;
- (b) The drafting of proposals for the execution of specific tasks; and
- (c) The execution of a specific task, which is of a technical or intellectual nature, but excludes an employee of a department.

**Table 15.1 Report on consultant appointments using appropriated funds for the period 1 April 2013 to 31 March 2014**

<b>Project title</b>	<b>Total number of consultants that worked on project</b>	<b>Duration (work days)</b>	<b>Contract value in Rand</b>
Conduct a comprehensive market analysis on sector production and targeting value-added products for export	1	120	680 686.50
Project management support on particular facility management projects	5	240	943 250.00
Provide advice on the draft business Bill	2	30	499 500.00
Conduct a study on a community empowerment programme within the renewal energy sector	3	60	496 536.00
Mediation on wage dispute	2	30	212 382.00
Review of all specified legislation administered by the consumer and corporate regulation division	4	60	987 444.00
Review of existing supply chain management policy	4	90	110 727.84
Support and oversee the review of the dti PPP agreement and to provide financial equity advisory and auditing services	4	240	2 857 652.82
Conduct an environmental impact assessment for afforestation licences applications on the Umzimkhulu communal land in KwaZulu-Natal	6	240	375 668.49
Appointment of a data analyst	1	240	126 345.48
Independent audit services	6	240	1 731 045.80
Conduct a research study on the integration of innovation and technology programmes	5	90	483 018.00
Appointment of a senior project manager for the data cleansing and data migration project	1	360	1 773 295.40
Conduct a forensic audit at the Centurion Aerospace Village	4	20	498 182.10
Conduct a medical assessment and provide an opinion on a health condition	1	1	4 664.57
Appointment of a specialist developer for EIP	1	100	191 996.64

Project title	Total number of consultants that worked on project	Duration (work days)	Contract value in Rand
Verification of processes and procedures to ensure compliance with MCEP and EIP guidelines	1	30	34 200.00
Consulting engineering services for MIP	1	80	500 000.00
Conduct a study on establishing a tomato value-adding facility in Nwamedu area of Limpopo	1	30	3 819.00
Assistance with the implementation of the incentive electronic management system	1	240	280 643.50
Appointment of a business analyst	1	90	327 510.00
SMS competency assessments	1	90	195 588.00
Gathering reliable statistical and descriptive information on the trends and performance of the SMME sector in South Africa	3	720	750 176.98
Administration of the national industrial participation database	3	30	28 727.82
Research on recycling within South Africa	6	120	493 278.00
Support for incentives systems	2	480	1 282 417.92
Develop a localisation roadmap for large-scale wind-energy industry in South Africa	1	120	451 200.00
Finalise draft co-operative regulations following amendments to the Co-operatives Amendment Bill	1	120	494 550.24
Mediation of employment relationships	5	100	57 228.00
Conduct a study to assess the potential to develop dedicated skills hubs	8	240	430 464.00
Conduct a customer satisfaction survey and a stakeholder perception survey	6	240	487 350.00
Assessment of the regulatory proposals on the intellectual property policy framework for South Africa	4	240	670 320.00



Project title	Total number of consultants that worked on project	Duration (work days)	Contract value in Rand
Verification of processes and procedures and compiled a factual findings report on incentive schemes	5	56	800 000.00
Rea aga Campus facelift project	3	60	454 290.00
Customer service survey for National Liquor Authority	5	80	188 100.00
Assist with verification of qualifications	1	120	132 000.00
Conduct an implementation evaluation of the MIP	10	120	497 040.90
Investigate the impact of the introduction of carbon tax on the economy and the IPAP sectors	1	120	495 900.00
Productive allowance applications and claims adjudication	2	50	65 000.00
Conduct a joint study on economic co-operation between South Africa and Japan	1	30	26 800.00
Conduct a joint study on economic co-operation between South Africa and Japan	1	30	62 704.35
Appointment of a business analyst for the IEMS project	1	120	230 911.56
Appointment of a business analyst for the IEMS project	1	120	150 000.00
Appointment of a business analyst for the IEMS project	1	120	150 000.00
Appointment of a business analyst for the IEMS project	1	120	150 000.00
Conduct an in-depth study of the dairy value chain in South Africa	1	120	918 271.00
Conduct an external validation of the internal audit unit	2	7	113 850.00
Drafting of the SEZ Bills	4	90	254 711.00
Development of the plastic sector strategy	4	120	492 480.00

Project title	Total number of consultants that worked on project	Duration (work days)	Contract value in Rand
Provide independent and expert advice on the appointment process of the third national lottery operator	7	360	5 993 194.00
Develop a framework for the COTII collective bargaining forum	1	30	368 904.00

Total number of projects	Total individual consultants	Total duration work days	Total contract value in rand
51	147	7 004	R30,004,025.19

**Table 15.2 Analysis of consultant appointments using appropriated funds, in terms of historically disadvantaged individuals (HDIs) for the period 1 April 2013 to 31 March 2014**

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
Conduct a comprehensive market analysis on sector production and targeting value-added products for export	55	55	1
Project management support on particular facility management projects	70	70	5
Provide advice on the draft business Bill	50	50	2
Conduct a study on a community empowerment programme within the renewal energy sector	67	67	3
Mediation on wage dispute	79	79	2
Review of all specified legislation administered by the CCRD	0	0	4
Review of existing supply chain management policy	50	50	4

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
Support and oversee the review of the dti PPP agreement and to provide financial equity advisory and auditing services	50	50	4
Conduct an environmental impact assessment for afforestation licences applications on the Umzimkhulu communal land in KwaZulu-Natal	100	100	6
Appointment of a data analyst	30	30	1
Independent audit services	40	40	6
Conduct a research study on the integration of innovation and technology programmes	100	100	6
Appointment of a senior project manager for the data cleansing and data migration project	100	100	1
Conduct a forensic audit at the Centurion Aerospace Village	50	50	4
Conduct a medical assessment and provide an opinion on a health condition	40	40	1
Appointment of a specialist developer for EIP	35	35	1
Verification of processes and procedures to ensure compliance with MCEP and EIP guidelines	70	70	1
Consulting engineering services for MIP	80	80	1
Conduct a study on establishing a tomato value-adding facility in Nwamede area of Limpopo	55	55	1

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
Assistance with the implementation of the incentive electronic management system	0	0	1
Appointment of a business analyst	63	63	1
SMS competency assessments	35	35	1
Gathering reliable statistical and descriptive information on the trends and performance of the SMME sector in South Africa	51	51	3
Administration of the national industrial participation database	0	0	3
Research on recycling within South Africa	0	0	6
Support for incentives systems	31	31	2
Develop a localisation roadmap for large-scale wind-energy industry in South Africa	100	100	0
Finalise draft co-operative regulations following amendments to the Co-operatives Amendment Bill	0	0	1
Mediation of employment relationships	84	84	5
Conduct a study to assess the potential to develop dedicated skills hubs	51	51	8
Conduct a customer satisfaction survey and a stakeholder perception survey	100	100	6
Assessment of the regulatory proposals on the intellectual property policy framework for South Africa	37	37	4

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
Verification of processes and procedures and compilation of factual findings report on incentive schemes	44	44	5
Rea aga Campus facelift project	100	100	3
Customer service survey for National Liquor Authority	100	100	5
Assist with verification of qualifications	0	0	1
Conduct an implementation evaluation of the MIP	95	95	10
Investigate the impact of the introduction of carbon tax on the economy and the IPAP sectors	20	20	1
Productive allowance applications and claims adjudication	80	80	2
Conduct a joint study on economic co-operation between South Africa and Japan	100	100	1
Conduct a joint study on economic co-operation between South Africa and Japan	100	100	1
Appointment of a business analyst for the IEMS project	46	18	1
Appointment of a business analyst for the IEMS project	38	38	1
Appointment of a business analyst for the IEMS project	76	76	1
Appointment of a business analyst for the IEMS project	63	63	1
Conduct an in-depth study of the dairy value chain in South Africa	60	60	1

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
Conduct an external validation of the internal audit unit	41	41	2
Drafting of the SEZ Bill	70	70	4
Development of the plastic sector strategy	0	0	4
Provide independent and expert advice on the appointment process of the third national lottery operator	35	35	7
Develop a framework for the COTII collective bargaining forum	0	0	1

**Table 15.3 Report on consultant appointments using Donor funds for the period 1 April 2013 to 31 March 2014**

Project title	Total Number of consultants that worked on project	Duration (Work days)	Donor and contract value in Rand
None	None	None	None

Total number of projects	Total individual consultants	Total duration Work days	Total contract value in Rand
None	None	None	None

**Table 15.4 Analysis of consultant appointments using Donor funds, in terms of historically disadvantaged individuals (HDIs) for the period 1 April 2013 to 31 March 2014**

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
None	None	None	None

## 16. Severance Packages

**Table 16.1 Granting of employee initiated severance packages for the period 1 April 2013 to 31 March 2014**

Salary band	Number of applications received	Number of applications referred to the MPSA	Number of applications supported by MPSA	Number of packages approved by department
Lower skilled (levels 1-2)	0	0	0	0
Skilled (levels 3-5)	0	0	0	0
Highly skilled production (levels 6-8)	0	0	0	0
Highly skilled supervision (levels 9-12)	0	0	0	0
Senior management (levels 13-16)	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>



# the dti

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